

# STANDING STRONG



Promising Reliability, For Now and Tomorrow

## Unaudited Financial Statements

For the three months ended September 30, 2023



International Industries Limited

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

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# Company Information

## **Chairman (Non-Executive)**

Mr. Kamal A. Chinoy

## **Independent Directors**

Mr. Adnan Afridi

Mr. Asif Jooma

Mr. Haider Rashid

Mr. Jehangir Shah

Mr. Mansur Khan

## **Non-Executive Directors**

Mr. Mustapha A. Chinoy

Mrs. Selina Rashid Khan

## **Chief Executive Officer**

Mr. Sohail R. Bhojani

## **Chief Financial Officer**

Mr. Muhammad Akhtar

## **Company Secretary & Head of Legal Affairs**

Mr. Mohammad Irfan Bhatti

## **Chief Internal Auditor**

Mr. Muhammad Atif Khan

## **External Auditor**

M/s A.F. Ferguson & Co.

## **Bankers**

Allied Bank Limited

Askari Bank Limited

Bank AL Habib Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank of China Limited

MCB Bank Limited

Meezan Bank Limited

Samba Bank Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

## **Legal Advisor**

K. M. S. Law Associates

## **National Tax Number**

0710735-8

## **Sales Tax Registration Number**

02-04-7306-001-82

## **Registered Office**

101 Beaumont Plaza,

10 Beaumont Road,

Karachi – 75530, Pakistan

Telephone: +9221-35680045-54

UAN: +9221-111-019-019

E-mail: investors@iil.com.pk

## **Lahore Office**

Chinoy House, 6 Bank Square,

Lahore - 54000, Pakistan

Telephone: +9242-37229752-55

UAN: +9242-111-019-019

E-Mail: lahore@iil.com.pk

## **Rawalpindi Office**

2nd Floor, Khyber Heights,

Rafi Commercial, Bahria Town, Phase # 8,

Rawalpindi, Pakistan.

## **Multan Office**

1592, 2nd Floor, Quaid-e-Azam Shopping Centre No. 1,

Multan Cantt., Multan, Pakistan

Telephone: +9261-4583332

## **Faisalabad Office**

Office No.1/1, Wahab Centre,

Electrocity Plaza, Susan Road,

Faisalabad, Pakistan

Telephone: +9241-8720037

## **Peshawar Office**

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

University Road, Peshawar, Pakistan

Telephone: +9291-5845068

## **IIL Construction Solutions (Pvt.) Ltd.**

101 Beaumont Plaza, 10 Beaumont Road,

Karachi – 75530, Pakistan

Website: www.iil.com.pk/csl

## **IIL Americas Inc.**

Suite 210-5800

Ambler Drive, Mississauga

ONL4W4J4, Canada

## **IIL Australia Pty Limited**

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

Website: www.iilaustralia.com

## **Factories**

### **Factory 1**

LX 15-16, Landhi Industrial Area,

Karachi – 75120, Pakistan

Telephone: +9221-35080451-55

E-mail: factory@iil.com.pk

### **Factory 2**

Survey # 405 & 406, Rehri Road,

Landhi, Karachi – 75160, Pakistan

Telephone: +9221-35017026-28, 35017030

### **Factory 3**

22 KM, Sheikhpura Road, Lahore, Pakistan

Telephone: +9242-37190491-3

## **Investor Relations Contact**

Shares Registrar

CDC Share Registrar Services Limited

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

Shahrah-e-Faisal, Karachi, Pakistan

Telephone: +92-0800-23275

Fax: +92-21-34326053

E-mail: info@cdcsrsl.com

Website: www.cdcsrsl.com

## **Corporate Website**

www.iil.com.pk

# Directors' Report

For the period ended September 30, 2023

The Directors of your Company are pleased to present the financial statements for the period ended September 30, 2023.

Unconsolidated sales revenue for the period at Rs. 8.1 Bn was 29% higher than in the same period last year. The domestic market improved marginally compared to the same period last year, enabling the Company to increase sales volume by 31% during the period under review. The Polymers division registered an encouraging growth of 50% against the same period last year on the back of improved institutional business. However, due to the slowdown in major global economies, export sales shrunk by 32% against the same period last year.

Unconsolidated Profit after Tax (PAT) for the period under review was Rs. 417m (EPS Rs. 3.16), compared to Rs. 1,037m (EPS 7.86) during the first quarter of last year.

Consolidated PAT for the period under review was Rs. 902 m, compared to Rs. 822 m during the first quarter of last year. Our major subsidiary, International Steels Limited (ISL), reported Net Sales Revenue of Rs. 19.20 Bn, achieving an increase of 16% from Rs. 16.54 Bn over the same period last year. ISL generated PAT of Rs. 1,117 Mn (EPS Rs. 2.57), which was 150% higher than Rs. 448m (EPS Rs. 1.03) during the comparative period.

World economies are reflecting the long-term consequences of the pandemic, the war in Ukraine, and increasing geoeconomic challenges. A number of major developed and developing countries are experiencing the effects of monetary policy tightening implemented to combat rising inflation, withdrawal of fiscal support amid high debt, and extreme weather events. The IMF has projected global growth at 2.9% for FY 2024 considering the slowdown in the Chinese economy, persistent inflation, debt distress, climate change, and rising food and energy prices. The international body is forecasting a 2.5% GDP growth for Pakistan in FY 2024. The recent conflagration of the conflict in Palestine may compound the already formidable economic challenges providing reasons to doubt the projected growth target by world economies.

The World Steel Association estimates steel demand to grow by 1.9% in 2024. The growth of the steel sector in Pakistan depends largely on the resumption of normal production by the auto sector as well as the increase in construction activity and infrastructure development by the government.

Hopefully, as the country returns to political stability and the tight monetary policy begins to show results in reduced inflation and exchange rate stability, the local steel industry may begin to show signs of revival. While the Company continues to strive to increase volumes of traditional pipes and tubes, there is an increased emphasis on pursuing opportunities for value-added products. However, in the short-term, our key imperative is to drive efficiencies and control costs against the backdrop of the high inflation environment. Furthermore, increased focus on efficient working capital management continues to improve the Company's debt ratio thereby alleviating the burden of high interest rates.

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

For & on behalf of the Board of Directors



Kamal A. Chinoy  
Chairman

Karachi.

Date: October 27, 2023

## ڈائریکٹرز کی رپورٹ

برائے 30 ستمبر 2023

عالمی ادارے نے پاکستان کیلئے مالی سال 2024 میں جی ڈی پی میں 2.5% نمو کی پیش گوئی کی ہے۔ حال ہی میں فلسطین میں بھڑک اٹھنے والی جنگ نے پہلے سے ہی درپیش ہولناک معاشی چیلنجز میں اضافہ کر دیا ہے جس سے دنیا کی معیشتوں کے نمو کے اہداف کے حصول کیلئے شک و شبہ پیدا ہو گیا ہے۔

ورلڈ اسٹیل ایسوسی ایشن نے 2024 میں اسٹیل کی طلب میں 1.9% اضافے کا اندازہ لگایا ہے۔ پاکستان میں اسٹیل کے شعبہ کا بڑا انحصار آٹو کے شعبہ میں معمول کی پیداوار کے دوبارہ شروع ہونے، تعمیراتی سرگرمیوں میں اضافے اور حکومت کی جانب سے انفراسٹرکچر کی ڈیولپمنٹ پر ہے۔ امید ہے کہ ملک میں سیاسی استحکام آنے اور سخت مانیٹری پالیسی کے نتیجے میں افراط زر میں کمی آنے اور زر مبادلہ کی شرح کے مستحکم ہونے سے، مقامی اسٹیل کی صنعت کے دوبارہ ابھرنے کے امکانات نمایاں ہو جائیں گے۔ کمپنی فی الوقت روایتی پائپس اور ٹیوبز کے حجم میں اضافے کیلئے مسلسل کوشاں ہے جبکہ اضافی خصوصیات کی پروڈکٹس کیلئے مواقع تلاش کرنے پر بھی توجہ دے رہی ہے۔ تاہم قلیل عرصے میں ہماری بنیادی ضروریات استعداد میں بہتری لانا اور بلند افراط زر کے پس منظر میں لاگت پر کنٹرول کرنا ہے۔ اس کے علاوہ جاری سرمایہ کی موثر منجمنٹ پر اضافی توجہ سے کمپنی کے قرضہ جات کی شرح میں بہتری آرہی ہے جس کی بدولت بلند شرح سود کے بوجھ میں کمی آرہی ہے۔

ہم اپنے اسٹیک ہولڈر کے مسلسل تعاون پر ان کے شکر گزار ہیں اور مالی سال کے بقیہ حصے میں اچھے حالات کی توقع رکھتے ہیں۔

برائے اور منجانب

انٹرنیشنل انڈسٹریز لمیٹڈ



کمال اے چنائے  
چیئر مین

کراچی

مورخہ 27 اکتوبر 2023

## ڈائریکٹرز کی رپورٹ

برائے 30 ستمبر 2023

آپ کی کمپنی کے ڈائریکٹرز مالیاتی اسٹیٹمنٹس برائے مدت مختتمہ 30 ستمبر 2023 پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

زیر جائزہ مدت میں غیر مجموعی سیلز کی آمدنی 8.1 بلین روپے رہی جو گزشتہ سال کی اسی مدت سے 29% زیادہ ہے۔ مقامی مارکیٹ میں گزشتہ سال کی اسی مدت کے مقابلے میں معمولی بہتری آئی جس کے باعث زیر جائزہ مدت میں سیلز کے حجم میں 31% اضافہ ہوا۔ پولیمر ڈویژن میں کمپنی کے بہتر کاروبار کے سبب گزشتہ سال کی اسی مدت کے مقابلے میں 50% کا حوصلہ افزا اضافہ ہوا۔ تاہم بڑی عالمی معیشتوں کی سست روی کے باعث برآمدات گزشتہ سال کے مقابلے میں 32% سکڑ گئی۔

زیر جائزہ مدت کیلئے غیر مجموعی بعد از ٹیکس منافع (PAT)، 417 ملین روپے (فی شیئر 3.16 روپے) حاصل ہوا جبکہ گزشتہ سال کی پہلی سہ ماہی میں 1,037 ملین روپے (فی شیئر 7.86 روپے) ہوا تھا۔

زیر جائزہ مدت میں مجموعی منافع بعد از ٹیکس 902 ملین روپے ہوا جبکہ اس کے مقابلے میں گزشتہ سال کی پہلی سہ ماہی میں 822 ملین روپے ہوا تھا۔ ہماری بڑی ذیلی کمپنی انٹرنیشنل اسٹیلز لمیٹڈ (ISL) نے خالص سیلز کی مد میں 19.20 بلین روپے کی آمدنی حاصل کی جو گزشتہ سال کی اسی مدت کے 16.54 بلین روپے کے مقابلے میں 16% زیادہ ہے۔ انٹرنیشنل اسٹیلز لمیٹڈ کو 1,117 ملین روپے کا بعد از ٹیکس منافع (فی شیئر 2.57 روپے) ہوا جو اس کی مقابلے کی گزشتہ مدت کے 448 ملین روپے (فی شیئر 1.03 روپے) سے 150% زیادہ ہے۔

عالمی معیشتوں پر وبا کے طویل عرصے تک پھیلے اثرات، یوکرین کی جنگ اور بڑھتے ہوئے جیواکنا مک خطرات کے اثرات نمایاں ہیں۔ بڑی تعداد میں ترقی یافتہ اور ترقی پذیر ممالک کو بڑھتے ہوئے افراط زر سے مقابلے کیلئے سخت مانیٹری پالیسی کے نفاذ، بڑے قرضہ جات کے دوران میں مالیاتی تعاون کے واپس لینے اور شدید موسمی حالات کا سامنا کرنا پڑا۔ IMF نے چین کی معیشت کی سست روی، افراط زر کے تسلسل، قرضہ جات کے دباؤ، موسمی تبدیلی اور خوراک اور توانائی کی بڑھتی ہوئی قیمتوں کے پیش نظر مالی سال 2024 کے لئے عالمی نمو کی شرح 2.9% رہنے کا امکان ظاہر کیا ہے۔

# UNCONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023



# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2023

|  |      | (Un-audited)          | (Audited)        |
|--|------|-----------------------|------------------|
|  | Note | September 30,<br>2023 | June 30,<br>2023 |
| (Rupees in '000)                                     |      |                       |                  |
| ASSETS   |      |                       |                  |
| NON-CURRENT ASSETS                                   |      |                       |                  |
| Property, plant and equipment                        | 5    | 10,118,617            | 9,933,911        |
| Intangible assets                                    |      | 2,248                 | 2,630            |
| Investments  | 6    | 3,372,515             | 3,372,515        |
| Long-term deposits                                   |      | 1,808                 | 1,806            |
|  |      | 13,495,188            | 13,310,862       |
| CURRENT ASSETS                                       |      |                       |                  |
| Stores and spares                                    |      | 247,739               | 243,094          |
| Stock-in-trade                                       | 7    | 9,994,791             | 14,105,808       |
| Trade debts  |      | 4,453,238             | 5,270,752        |
| Advances, trade deposits and prepayments             |      | 72,423                | 98,707           |
| Other receivables                                    |      | 753,683               | 41,884           |
| Sales tax receivable                                 |      | 143,807               | 672,749          |
| Cash and bank balances                               |      | 271,904               | 212,471          |
|  |      | 15,937,585            | 20,645,465       |
| TOTAL ASSETS   |      | 29,432,773            | 33,956,327       |
| EQUITY AND LIABILITIES                               |      |                       |                  |
| SHARE CAPITAL AND RESERVES                           |      |                       |                  |
| Share capital  |      |                       |                  |
| Issued, subscribed and paid-up capital               |      | 1,318,819             | 1,318,819        |
| Revenue reserves                                     |      |                       |                  |
| General reserve                                      |      | 2,700,036             | 2,700,036        |
| Unappropriated profit                                |      | 6,510,504             | 6,322,088        |
| Capital reserve                                      |      |                       |                  |
| Revaluation surplus on property, plant and equipment |      | 4,851,278             | 4,908,327        |
| TOTAL SHAREHOLDERS' EQUITY                           |      | 15,380,637            | 15,249,270       |
| LIABILITIES  |      |                       |                  |
| NON-CURRENT LIABILITIES                              |      |                       |                  |
| Long-term financing - secured                        | 8    | 3,886,003             | 4,004,213        |
| Deferred income - government grant                   |      | 37,024                | 39,961           |
| Gas Infrastructure Development Cess                  | 9    | 21,797                | 42,625           |
| Staff retirement benefits                            |      | 177,520               | 165,520          |
| Deferred taxation - net                              |      | 24,523                | 34,467           |
|  |      | 4,146,867             | 4,286,786        |
| CURRENT LIABILITIES                                  |      |                       |                  |
| Trade and other payables                             | 10   | 3,096,521             | 4,223,289        |
| Contract liabilities                                 |      | 552,884               | 925,354          |
| Short-term borrowings - secured                      | 11   | 3,974,361             | 7,345,342        |
| Unpaid dividend                                      |      | 263,764               | -                |
| Unclaimed dividend                                   |      | 42,157                | 46,149           |
| Current portion of long-term financing - secured     | 8    | 591,314               | 608,826          |
| Taxation - net                                       |      | 1,119,405             | 902,572          |
| Accrued mark-up                                      |      | 264,863               | 368,739          |
|  |      | 9,905,269             | 14,420,271       |
| TOTAL LIABILITIES                                    |      | 14,052,136            | 18,707,057       |
| CONTINGENCIES AND COMMITMENTS                        |      |                       |                  |
| TOTAL EQUITY AND LIABILITIES                         |      |                       |                  |
|  |      | 29,432,773            | 33,956,327       |

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



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer

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

For the period ended September 30, 2023

|   |      | Three months ended           |                    |
|---|------|------------------------------|--------------------|
|   |      | September 30, 2023           | September 30, 2022 |
|   |      | ----- (Rupees in '000) ----- |                    |
|   | Note |                              |                    |
| Revenue from contracts with customers   | 13   | 8,111,793                    | 6,270,535          |
| Cost of sales                           |      | (7,095,728)                  | (5,382,214)        |
| <b>Gross profit</b>                     |      | <b>1,016,065</b>             | <b>888,321</b>     |
| Selling and distribution expenses       |      | (283,819)                    | (484,769)          |
| Administrative expenses                 |      | (87,957)                     | (90,702)           |
| Charge of loss allowance on trade debts |      | (36,421)                     | (21,482)           |
|   |      | (408,197)                    | (596,953)          |
| <b>Operating profit</b>                 |      | <b>607,868</b>               | <b>291,368</b>     |
| Finance cost                            |      | (480,709)                    | (462,277)          |
| Other operating charges                 |      | (13,001)                     | (12,853)           |
|   |      | (493,710)                    | (475,130)          |
| Other income                            | 14   | 583,393                      | 1,482,246          |
| <b>Profit before income tax</b>         |      | <b>697,551</b>               | <b>1,298,484</b>   |
| Income tax expense                      | 15   | (280,396)                    | (261,392)          |
| <b>Profit after tax for the period</b>  |      | <b>417,155</b>               | <b>1,037,092</b>   |
| <b>Earnings per share</b>               |      |                              |                    |
| - basic and diluted (Rupees)            |      | 3.16                         | 7.86               |

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



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer

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

For the period ended September 30, 2023

|  | Three months ended           |                    |
|--|------------------------------|--------------------|
|  | September 30, 2023           | September 30, 2022 |
|  | ----- (Rupees in '000) ----- |                    |
| Profit after tax for the period  | 417,155                      | 1,037,092          |
| <b>Other comprehensive (loss) / income</b>   |                              |                    |
| Items that will not be subsequently reclassified to Unconsolidated Statement of Profit or Loss |                              |                    |
| Remeasurement of staff retirement benefits   |                              |                    |
| - Adjustment related to opening deferred tax balance   | 3,480                        | (588)              |
| Surplus on revaluation of land and buildings   |                              |                    |
| - Adjustment related to opening deferred tax balance   | (25,504)                     | 5,125              |
| <b>Other comprehensive (loss) / income for the period - net of tax</b>                         | (22,024)                     | 4,537              |
| <b>Total comprehensive income for the period</b>   | <b>395,131</b>               | <b>1,041,629</b>   |

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



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer

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

For the period ended September 30, 2023

|   | Issued,<br>subscribed<br>and paid-up<br>capital | Revenue Reserves<br>General<br>reserve | Unappropriated<br>profit | Capital Reserve<br>Revaluation<br>surplus on<br>property, plant<br>and equipment | Total             |
|---|---|--|--------------------------|--|-------------------|
|   | (Rupees in '000)                                |  |                          |  |                   |
| <b>Balance as at July 1, 2022</b>   | <b>1,318,819</b>                                | <b>2,700,036</b>                       | <b>5,465,105</b>         | <b>5,110,255</b>   | <b>14,594,215</b> |
| Profit after tax for the period   | -   | -                                      | 1,037,092                | -  | 1,037,092         |
| Other comprehensive (loss) / income for the period  | -   | -                                      | (588)                    | 5,125  | 4,537             |
| Total comprehensive income for the period   | -   | -                                      | 1,036,504                | 5,125  | 1,041,629         |
| Transferred from revaluation surplus on<br>property, plant and equipment on account<br>of incremental depreciation - net of tax | -   | -                                      | 33,422                   | (33,422)   | -                 |
| <b>Transactions with owners recorded<br/>directly in equity - distributions</b>   |   |  |                          |  |                   |
| Dividend:   |   |  |                          |  |                   |
| - Final dividend at 60% (i.e. Rs. 6.00 per<br>share) for the year ended June 30, 2022   | -   | -                                      | (791,291)                | -  | (791,291)         |
| <b>Balance as at September 30, 2022</b>   | <b>1,318,819</b>                                | <b>2,700,036</b>                       | <b>5,743,740</b>         | <b>5,081,958</b>   | <b>14,844,553</b> |
| <b>Balance as at July 1, 2023</b>   | <b>1,318,819</b>                                | <b>2,700,036</b>                       | <b>6,322,088</b>         | <b>4,908,327</b>   | <b>15,249,270</b> |
| Profit after tax for the period   | -   | -                                      | 417,155                  | -  | 417,155           |
| Other comprehensive income / (loss) for the period  | -   | -                                      | 3,480                    | (25,504)   | (22,024)          |
| Total comprehensive income / (loss) for the period  | -   | -                                      | 420,635                  | (25,504)   | 395,131           |
| Transferred from revaluation surplus on<br>property, plant and equipment on account<br>of incremental depreciation - net of tax | -   | -                                      | 31,545                   | (31,545)   | -                 |
| <b>Transactions with owners recorded<br/>directly in equity - distributions</b>   |   |  |                          |  |                   |
| Dividend:   |   |  |                          |  |                   |
| - Final dividend at 20% (i.e. Rs. 2.00 per<br>share) for the year ended June 30, 2023   | -   | -                                      | (263,764)                | -  | (263,764)         |
| <b>Balance as at September 30, 2023</b>   | <b>1,318,819</b>                                | <b>2,700,036</b>                       | <b>6,510,504</b>         | <b>4,851,278</b>   | <b>15,380,637</b> |

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



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer

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

For the period ended September 30, 2023

| Note | Three months ended   |   |
|------|--|---|
|      | September 30,<br>2023  | September 30,<br>2022   |
|      | (Rupees in '000)   |   |
| 16   | 4,587,918  | 757,862   |
|      | (576,923)  | (432,746)   |
|      | 4,335  | 1,870   |
|      | (6,000)  | -   |
|      | (8,545)  | (6,710)   |
|      | (95,531)   | (242,754)   |
|      | <u>3,905,254</u>   | <u>77,522</u>   |
| 5    | <div><div>(339,930)</div><div>7,472</div><div>(332,458)</div></div>                                  | <div><div>(28,547)</div><div>9,243</div><div>(19,304)</div></div>                                 |
|      | <div><div>-</div><div>(138,390)</div><div>(86,029)</div><div>(3,992)</div><div>(228,411)</div></div> | <div><div>64,220</div><div>(125,725)</div><div>-</div><div>(1,485)</div><div>(62,990)</div></div> |
|      | <u>3,344,385</u>   | <u>(4,772)</u>  |
|      | (4,424,408)  | (10,419,740)  |
| 17   | <u>(1,080,023)</u>   | <u>(10,424,512)</u>   |

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



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer



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

For the period ended September 30, 2023

## 1. STATUS AND NATURE OF BUSINESS

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

The manufacturing facilities of the Company are situated as follows:

- i) LX 15 - 16, HX-7/4, LX-2, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
- iii) 22 KM, Sheikhpura Road, Lahore.

The sales offices of the Company are situated as follows:

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Hall No.1, Second Floor, Rafi Shopping Center, Plot No. 7, Safari Valley, Rawalpindi;
- iii) 1592, 2nd Floor, Quaid-e-Azam Shopping Centre no. 1, Multan Cantt;
- iv) Office no. 1/1, Wahab Centre, Electrocitiy Plaza, Susan Road, Faisalabad; and
- v) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar.

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

For the period ended September 30, 2023

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

**2.1.2** These unconsolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.

**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, 2023, 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, 2022.

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

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended June 30, 2023.

## **3.2 Changes in accounting standards, interpretations and pronouncements**

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

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

For the period ended September 30, 2023

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

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

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

**4.2** The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2023.

**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, 2023.

## 5. PROPERTY, PLANT AND EQUIPMENT

|  | Operating assets             | Capital work-in-progress (including capital stores and spares) | Total              |
|--|------------------------------|--|--------------------|
|  | ----- (Rupees in '000) ----- |  |                    |
| <b>Cost / revalued amount</b>                |                              |  |                    |
| Balance at beginning of the period           | 13,854,631                   | 71,446   | 13,926,077         |
| Additions                                    | -                            | 339,930  | 339,930            |
| Transfers                                    | 87,836                       | (87,836)   | -                  |
| Disposals                                    | (9,089)                      | -  | (9,089)            |
|  | <u>13,933,378</u>            | <u>323,540</u>   | <u>14,256,918</u>  |
| <b>Accumulated depreciation</b>              |                              |  |                    |
| Balance at beginning of the period           | (3,992,166)                  | -  | (3,992,166)        |
| Charge for the period                        | (153,515)                    | -  | (153,515)          |
| Disposals                                    | 7,380                        | -  | 7,380              |
|  | <u>(4,138,301)</u>           | <u>-</u>   | <u>(4,138,301)</u> |
| <b>Written down value</b>                    |                              |  |                    |
| <b>as at September 30, 2023 (Un-audited)</b> | <u>9,795,077</u>             | <u>323,540</u>   | <u>10,118,617</u>  |
| Written down value                           |                              |  |                    |
| as at June 30, 2023 (Audited)                | <u>9,862,465</u>             | <u>71,446</u>  | <u>9,933,911</u>   |

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

For the period ended September 30, 2023

## 6. INVESTMENTS

| (Un-audited)<br>September 30,<br>2023<br>(Number of shares) | (Audited)<br>June 30,<br>2023 |  | (Un-audited)<br>September 30,<br>2023<br>(Rupees in '000) | (Audited)<br>June 30,<br>2023 |
|---|-------------------------------|--|---|-------------------------------|
| <b>Quoted Companies</b>                                     |                               |  |   |                               |
| <b>245,055,543</b>  | 245,055,543                   | International Steels Limited (ISL)<br>- subsidiary company, at cost                        | <b>2,450,555</b>  | 2,450,555                     |
| <b>7,615,588</b>  | 7,615,588                     | Pakistan Cables Limited (PCL)<br>- associated company, at cost                             | <b>817,553</b>  | 817,553                       |
| <b>Un-quoted Companies</b>                                  |                               |  |   |                               |
| <b>150,000</b>  | 150,000                       | IIL Americas Inc. (IIL Americas)<br>- subsidiary company, at cost                          | <b>17,966</b>   | 17,966                        |
| <b>100,000</b>  | 100,000                       | IIL Australia Pty. Limited<br>(IIL Australia) - subsidiary<br>company, at cost             | <b>9,168</b>  | 9,168                         |
| <b>7,727,270</b>  | 7,727,270                     | IIL Construction Solutions<br>(Private) Limited (IIL CSL)<br>- subsidiary company, at cost | <b>77,273</b>   | 77,273                        |
|   |                               |  | <b>3,372,515</b>  | 3,372,515                     |

## 7. STOCK-IN-TRADE

|                        | Note |                  |            |
|------------------------|------|------------------|------------|
| Raw material - in hand | 7.1  | <b>4,756,186</b> | 6,768,397  |
| - in transit           |      | <b>578,966</b>   | 1,540,685  |
|                        |      | <b>5,335,152</b> | 8,309,082  |
| Work-in-process        |      | <b>1,079,246</b> | 1,164,330  |
| Finished goods         |      | <b>3,396,017</b> | 4,424,204  |
| By-products            |      | <b>10,107</b>    | 24,950     |
| Scrap material         |      | <b>174,269</b>   | 183,242    |
|                        |      | <b>9,994,791</b> | 14,105,808 |

- 7.1** Raw material amounting to Rs.3.7 million as at September 30, 2023 (June 30, 2023: Rs. 2.8 million) was held at a vendor's premises for the production of pipe caps.

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

For the period ended September 30, 2023

|   | Note   | (Un-audited)<br>September 30,<br>2023<br>(Rupees in '000) | (Audited)<br>June 30,<br>2023 |
|---|--|---|-------------------------------|
| <b>8. LONG-TERM FINANCING - secured</b>               |  |   |                               |
| <b>CONVENTIONAL</b>                                   |  |   |                               |
| Long-Term Finance Facility (LTFF)                     | 8.2  | 526,559   | 486,800                       |
| Long-Term Finance                                     |  | 540,910   | 677,178                       |
|   |  | <u>1,067,469</u>  | <u>1,163,978</u>              |
| <b>ISLAMIC</b>  |  |   |                               |
| Diminishing Musharakah                                |  | 3,045,455   | 3,079,545                     |
| Islamic Long-Term Finance Facility (ILTFF)            | 8.3  | 94,370  | 99,190                        |
| Islamic Temporary Economic Refinance Facility (ITERF) | 8.4  | 237,317   | 240,285                       |
| Islamic Finance Facility for Renewable Energy (IFRE)  | 8.5  | 80,000  | 80,000                        |
|   |  | <u>3,457,142</u>  | <u>3,499,020</u>              |
|   |  | <u>4,524,611</u>  | <u>4,662,998</u>              |
| Less: Deferred income - government grant              |  | (47,294)  | (49,959)                      |
| Less: Current portion of long-term financing:         |  |   |                               |
| <b>CONVENTIONAL</b>                                   |  |   |                               |
| Long-Term Finance Facility (LTFF)                     |  | (98,492)  | (98,390)                      |
| Long-Term Finance                                     |  | (395,455)   | (395,455)                     |
|   |  | <u>(493,947)</u>  | <u>(493,845)</u>              |
| <b>ISLAMIC</b>  |  |   |                               |
| Diminishing Musharakah                                |  | (45,455)  | (79,545)                      |
| Islamic Long-Term Finance Facility (ILTFF)            |  | (14,859)  | (14,859)                      |
| Islamic Temporary Economic Refinance Facility (ITERF) |  | (29,053)  | (12,577)                      |
| Islamic Finance Facility for Renewable Energy (IFRE)  |  | (8,000)   | (8,000)                       |
|   |  | <u>(97,367)</u>   | <u>(114,981)</u>              |
|   |  | <u>(591,314)</u>  | <u>(608,826)</u>              |
|   |  | <u>3,886,003</u>  | <u>4,004,213</u>              |
| <b>8.1</b>  | These facilities are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX - 15 & 16 and HX - 7/4, Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi. |   |                               |
| <b>8.1.1</b>  | In relation to the above borrowings, the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.  |   |                               |



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

For the period ended September 30, 2023

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

## **9. GAS INFRASTRUCTURE DEVELOPMENT CESS**

Supreme Court of Pakistan (SCP) upheld the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) through its judgement dated August 13, 2020 and advised the Government of Pakistan (the GoP) to initiate the gas pipeline project within six months. The SCP on November 2, 2020 ordered that its decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector are also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

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

Despite the aforesaid order dated August 13, 2020 by the SCP, the GoP did not initiate the gas project within six months. Therefore, during the prior financial year, the Company has filed a petition with the SHC challenging the validity of the GIDC Act, 2015.

|                                     |      | (Un-audited)<br>Note <b>September 30,</b><br><b>2023</b> | (Audited)<br>June 30,<br>2023 |
|-------------------------------------|------|--|-------------------------------|
|                                     |      | <b>(Rupees in '000)</b>                                  |                               |
| <b>10. TRADE AND OTHER PAYABLES</b> |      |  |                               |
| Trade creditors                     |      | <b>332,998</b>   | 454,575                       |
| Bills payable                       |      | <b>461,668</b>   | 1,381,901                     |
| Accrued expenses                    | 10.1 | <b>1,049,233</b>   | 1,150,764                     |
| Provision for Infrastructure Cess   | 10.2 | <b>1,118,254</b>   | 1,079,268                     |
| Short-term compensated absences     |      | <b>4,428</b>   | 6,434                         |
| Workers' Profit Participation Fund  |      | <b>4,852</b>   | 5                             |
| Workers' Welfare Fund               | 10.3 | <b>112,864</b>   | 138,390                       |
| Current portion of deferred income  |      |  |                               |
| - government grant                  |      | <b>10,270</b>  | 9,998                         |
| Others                              |      | <b>1,954</b>   | 1,954                         |
|                                     |      | <b>3,096,521</b>   | <b>4,223,289</b>              |

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

For the period ended September 30, 2023

**10.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 325.09 million (June 30, 2023: Rs. 299.07 million) and a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 125.49 million (June 30, 2023: Rs. 125.49 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 01, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. IIL preferred an appeal against the said order before the divisional bench.

**10.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,232 million (June 30, 2023: Rs. 1,027 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on the basis of prudence. Subsequently through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh infrastructure cess. The Company had obtained a stay against this and the ultimate dispute had been linked with the previous infrastructure cess case.

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

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

**10.3** The Company filed a constitutional petition with the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the Company is making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under federal Workers Welfare Fund Ordinance, 1971.

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

For the period ended September 30, 2023

|   | Note   | (Un-audited)<br>September 30,<br>2023<br>(Rupees in '000) | (Audited)<br>June 30,<br>2023 |
|---|--|---|-------------------------------|
| <b>11. SHORT-TERM BORROWINGS - secured</b>                                  |  |   |                               |
| <b>CONVENTIONAL</b>   |  |   |                               |
| Running finance under mark-up arrangement from banks                        | 11.1   | <b>265,376</b>  | 1,283,363                     |
| Short-term borrowing under Money Market Scheme maturing within three months | 11.1   | <b>960,000</b>  | 2,326,191                     |
| Short-term borrowing under Export Refinance Scheme                          | 11.2   | <b>2,047,000</b>  | 2,301,000                     |
| Short-term borrowing under Export Finance Scheme                            | 11.3   | <b>445,434</b>  | 207,463                       |
| <b>ISLAMIC</b>  |  |   |                               |
| Short-term borrowing under Money Market Scheme maturing within three months |  | -   | 925,000                       |
| Short-term borrowing under Running Musharakah maturing within three months  | 11.4   | <b>126,551</b>  | 102,325                       |
| Short-term borrowing under Export Refinance Scheme                          | 11.2   | <b>130,000</b>  | 200,000                       |
|   |  | <b>3,974,361</b>  | <b>7,345,342</b>              |
| <b>11.1</b>   | These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from 21.77% to 23.40% (June 30, 2023: 21.18% to 22.63%) per annum.                               |   |                               |
| <b>11.2</b>   | The Company has obtained short-term finance under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 19.00% (June 30, 2023: 12.50% to 18.00%) per annum. These facilities mature within six months and are renewable. |   |                               |
| <b>11.3</b>   | The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 2.00% to 2.50% (June 30, 2023: 2.00% to 2.50%)   |   |                               |
| <b>11.4</b>   | The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 22.81% to 23.31% (June 30, 2023: 21.41% to 22.38%) per annum.  |   |                               |

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

For the period ended September 30, 2023

**11.5** As at September 30, 2023, the unavailed facilities from the above borrowings amounted to Rs. 15,693 million (June 30, 2023: Rs. 12,224 million).

**11.6** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future moveable assets of the Company.

## **12. CONTINGENCIES AND COMMITMENTS**

### **12.1 Contingencies**

There have been no significant changes during the period in the contingencies reported in the annual audited unconsolidated financial statements for the year ended June 30, 2023 except as discussed below:

**12.1.1** In relation to the case of the sale of zinc wastages generated from imports under manufacturing bond, the Appellate Tribunal heard the case and the Customs department submitted its response during the hearing. The Appellate Tribunal, thereafter, reserved its order and, subsequently, announced its decision upholding the order of the Collector of Customs (Adjudication - II). Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the Sindh High Court (SHC). The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.

**12.1.2** In connection to the application challenging the chargeability of tax on inter corporate dividends from the Company's subsidiary, International Steels Limited (ISL), the Company has filed various constitutional petitions before the SHC covering past dividends issued by ISL. Stay orders were granted in each respective case against submission of bank guarantees amounting Rs. 664.7 million (June 30, 2023: Rs. 664.7 million). The SHC has dismissed our petitions. The Company preferred appeals before the Supreme Court against all such dismissal orders by the SHC.

### **12.2 Commitments**

**12.2.1** Capital expenditure commitments outstanding as at September 30, 2023 amounted to Rs. 20.73 million (June 30, 2023: Rs. 183.42 million).

**12.2.2** Commitments under letters of credit for raw materials and stores and spares as at September 30, 2023 amounted to Rs. 1,494.5 million (June 30, 2023: Rs. 769.56 million).

**12.2.3** The facilities for opening letters of credit and guarantees from banks as at September 30, 2023 amounted to Rs. 14,800 million (June 30, 2023: Rs. 14,800 million) and Rs. 3,550 million (June 30, 2023: Rs. 3,050 million) respectively, of which the unutilised balance at period-end amounted to Rs. 13,306 million (June 30, 2023: Rs. 13,847 million) and Rs. 425 million (June 30, 2023: Rs. 77 million) respectively.

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

For the period ended September 30, 2023

|            |  | (Un-audited)                 |                    |
|------------|--|------------------------------|--------------------|
|            |  | Three months ended           |                    |
|            |  | September 30, 2023           | September 30, 2022 |
|            |  | ----- (Rupees in '000) ----- |                    |
| <b>13.</b> | <b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b> |                              |                    |
|            | Sale of goods less returns                   |                              |                    |
|            | Local  | 9,097,210                    | 5,440,071          |
|            | Sales tax                                    | (1,299,034)                  | (772,904)          |
|            | Trade discounts                              | (764,712)                    | (318,209)          |
|            |  | 7,033,464                    | 4,348,958          |
|            | Export                                       | 1,081,979                    | 1,923,130          |
|            | Export commission & discounts                | (3,650)                      | (1,553)            |
|            |  | 1,078,329                    | 1,921,577          |
|            |  | 8,111,793                    | 6,270,535          |

## 14. OTHER INCOME

This includes dividend income from subsidiary and associated companies amounting to Rs. 612.60 million (September 30, 2022: Rs. 1,142.40 million).

|            |                           | (Un-audited)                 |                    |
|------------|---------------------------|------------------------------|--------------------|
|            |                           | Three months ended           |                    |
|            |                           | September 30, 2023           | September 30, 2022 |
|            |                           | ----- (Rupees in '000) ----- |                    |
| <b>15.</b> | <b>INCOME TAX EXPENSE</b> |                              |                    |
|            | Current                   | 300,502                      | 291,392            |
|            | Prior                     | 11,861                       | -                  |
|            | Deferred                  | (31,967)                     | (30,000)           |
|            |                           | 280,396                      | 261,392            |



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

For the period ended September 30, 2023

|  | Note | (Un-audited)       |                    |
|--|------|--------------------|--------------------|
|  |      | Three months ended |                    |
|  |      | September 30, 2023 | September 30, 2022 |
|  |      | (Rupees in '000)   |                    |
| <b>16. CASH GENERATED FROM / (USED IN) OPERATIONS</b>              |      |                    |                    |
| Profit before income tax   |      | 697,551            | 1,298,484          |
| <b>Add/(less): Adjustment for non-cash charges and other items</b> |      |                    |                    |
| Depreciation of property, plant and equipment                      |      | 153,515            | 149,604            |
| Amortisation of intangible assets                                  |      | 383                | 342                |
| Charge of loss allowance on trade debts                            |      | 36,421             | 21,482             |
| Provision for staff retirement benefits                            |      | 18,000             | 14,422             |
| Provision for compensated absences                                 |      | 6,539              | 3,104              |
| Income on bank deposits  |      | (4,335)            | (1,870)            |
| Gain on disposal of property, plant and equipment                  |      | (5,763)            | (7,710)            |
| Loss on remeasurement of Gas Infrastructure Development Cess       |      | 194                | -                  |
| Unwinding of Gas Infrastructure Development Cess                   |      | 4,998              | 5,898              |
| Dividend income  |      | (612,639)          | (1,142,351)        |
| Government grant income  |      | (2,664)            | (4,423)            |
| Finance cost   |      | 475,711            | 456,379            |
|  |      | <b>767,911</b>     | <b>793,361</b>     |
| Changes in working capital   | 16.1 | <b>3,820,007</b>   | <b>(35,499)</b>    |
|  |      | <b>4,587,918</b>   | <b>757,862</b>     |
| <b>16.1 Working capital changes</b>                                |      |                    |                    |
| Decrease /(increase) in current assets:                            |      |                    |                    |
| Stores and spares  |      | (4,645)            | (11,290)           |
| Stock-in-trade   |      | 4,111,017          | 1,124,209          |
| Trade debts  |      | 781,093            | 323,435            |
| Advances, trade deposits and prepayments                           |      | 26,284             | (116,378)          |
| Other receivables  |      | (99,160)           | 23,629             |
| Sales tax receivable   |      | 528,942            | (77,714)           |
|  |      | <b>5,343,531</b>   | <b>1,265,891</b>   |
| (Decrease) / increase in current liabilities:                      |      |                    |                    |
| Trade and other payables   |      | (1,151,054)        | (1,478,487)        |
| Contract liabilities   |      | (372,470)          | 177,097            |
|  |      | <b>(1,523,524)</b> | <b>(1,301,390)</b> |
|  |      | <b>3,820,007</b>   | <b>(35,499)</b>    |

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

For the period ended September 30, 2023

|      |   | (Un-audited)          |                       |
|------|---|-----------------------|-----------------------|
|      |   | Three months ended    |                       |
| Note |   | September 30,<br>2023 | September 30,<br>2022 |
|      |   | (Rupees in '000)      |                       |
| 17.  | CASH AND CASH EQUIVALENTS   |                       |                       |
|      | Cash and bank balances  | 271,904               | 134,442               |
|      | Running finance under mark-up arrangement from banks                        | 11 (265,376)          | (1,791,516)           |
|      | Short-term borrowing under Money Market Scheme maturing within three months | 11 (960,000)          | (4,315,500)           |
|      | Short-term borrowing under Running Musharakah maturing within three months  | 11 (126,551)          | (4,451,938)           |
|      |   | (1,080,023)           | (10,424,512)          |

## 18. TRANSACTIONS WITH RELATED PARTIES

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

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

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

For the period ended September 30, 2023

| (Un-audited)                 |                    |
|------------------------------|--------------------|
| Three months ended           |                    |
| September 30, 2023           | September 30, 2022 |
| ----- (Rupees in '000) ----- |                    |

## 18.1 Transactions with related parties

### Subsidiary companies

|                           |         |           |
|---------------------------|---------|-----------|
| Sales                     | 806,899 | 1,499,461 |
| Purchases                 | 167,217 | 1,563,887 |
| Cost of shared resources  | 41,457  | 32,717    |
| Reimbursement of expenses | 90,655  | 663       |
| Rental income             | 3,191   | 6,304     |
| Dividend income           | 612,639 | 1,102,750 |

### Associated companies

|                           |        |        |
|---------------------------|--------|--------|
| Sales                     | 20,396 | -      |
| Purchases                 | 3,794  | 7,424  |
| Reimbursement of expenses | 265    | 886    |
| Insurance premium         | -      | 1,275  |
| Dividend income           | 1,267  | 39,601 |
| Dividend distribution     | -      | 3,802  |
| Subscription              | 2,500  | 2,500  |
| Registration and training | 930    | 130    |

### Key management personnel

|                             |         |        |
|-----------------------------|---------|--------|
| Remuneration and allowances | 125,509 | 65,083 |
|-----------------------------|---------|--------|

### Staff retirement funds

|                   |        |       |
|-------------------|--------|-------|
| Contribution paid | 21,584 | 9,463 |
|-------------------|--------|-------|

### Non-executive directors

|                |       |       |
|----------------|-------|-------|
| Directors' fee | 2,000 | 1,500 |
|----------------|-------|-------|

### Reimbursement of Chairman's expenses

|   |       |
|---|-------|
| - | 1,650 |
|---|-------|

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

For the period ended September 30, 2023

## 19. SEGMENT REPORTING

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

### 19.1 Segment revenue and results

|  | Steel<br>segment | Polymer<br>segment | Investments<br>segment | Total       |
|--|------------------|--------------------|------------------------|-------------|
|  | (Rupees in '000) |                    |                        |             |
| <b>For the three months ended<br/>September 30, 2023</b> |                  |                    |                        |             |
| Revenue from contracts with customers                    |                  |                    |                        |             |
| Local  | 5,715,903        | 1,317,562          | -                      | 7,033,464   |
| Exports  | 1,078,329        | -                  | -                      | 1,078,329   |
|  | 6,794,232        | 1,317,562          | -                      | 8,111,793   |
| Cost of sales  | (6,086,671)      | (1,009,057)        | -                      | (7,095,728) |
| <b>Gross profit</b>                                      | 707,561          | 308,505            | -                      | 1,016,065   |
| Selling and distribution expenses                        | (256,302)        | (27,517)           | -                      | (283,819)   |
| Administrative expenses                                  | (80,476)         | (7,481)            | -                      | (87,957)    |
| Charge of loss allowance on<br>trade debts               | (4,115)          | (32,306)           | -                      | (36,421)    |
|  | (340,893)        | (67,304)           | -                      | (408,197)   |
| Finance cost   | (402,630)        | (78,079)           | -                      | (480,709)   |
| Other operating charges                                  | (723)            | (12,278)           | -                      | (13,001)    |
|  | (403,353)        | (90,357)           | -                      | (493,710)   |
| Other income   | (29,246)         | -                  | 612,639                | 583,393     |
| <b>(Loss) / profit before income tax</b>                 | (65,931)         | 150,844            | 612,639                | 697,551     |
| Income tax expense                                       |                  |                    |                        | (280,396)   |
| <b>Profit after tax for the period</b>                   |                  |                    |                        | 417,155     |
| <b>For the three months ended<br/>September 30, 2022</b> |                  |                    |                        |             |
| Revenue from contracts with customers                    |                  |                    |                        |             |
| Local  | 3,607,771        | 741,187            | -                      | 4,348,958   |
| Exports  | 1,921,577        | -                  | -                      | 1,921,577   |
|  | 5,529,348        | 741,187            | -                      | 6,270,535   |
| Cost of sales  | (4,808,919)      | (573,295)          | -                      | (5,382,214) |
| <b>Gross profit</b>                                      | 720,429          | 167,892            | -                      | 888,321     |
| Selling and distribution expenses                        | (459,759)        | (25,010)           | -                      | (484,769)   |
| Administrative expenses                                  | (84,850)         | (5,852)            | -                      | (90,702)    |
| Charge of loss allowance on<br>trade debts               | (15,332)         | (6,150)            | -                      | (21,482)    |
|  | (559,941)        | (37,012)           | -                      | (596,953)   |
| Finance cost   | (407,635)        | (54,642)           | -                      | (462,277)   |
| Other operating charges                                  | (7,516)          | (5,337)            | -                      | (12,853)    |
|  | (415,151)        | (59,979)           | -                      | (475,130)   |
| Other income   | 339,895          | -                  | 1,142,351              | 1,482,246   |
| <b>Profit before income tax</b>                          | 85,232           | 70,901             | 1,142,351              | 1,298,484   |
| Income tax expense                                       |                  |                    |                        | (261,392)   |
| <b>Profit after tax for the period</b>                   |                  |                    |                        | 1,037,092   |

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

For the period ended September 30, 2023

## 19.2 Segment assets and liabilities

|  | Steel<br>segment             | Polymer<br>segment | Investments<br>segment | Total             |
|--|------------------------------|--------------------|------------------------|-------------------|
|  | ----- (Rupees in '000) ----- |                    |                        |                   |
| <b>As at September 30, 2023 - Un-audited</b> |                              |                    |                        |                   |
| Segment assets                               | <u>21,604,449</u>            | <u>2,527,281</u>   | <u>3,372,515</u>       | <u>27,504,245</u> |
| Segment liabilities                          | <u>9,679,323</u>             | <u>695,826</u>     | <u>-</u>               | <u>10,375,149</u> |
| <b>As at June 30, 2023 - Audited</b>         |                              |                    |                        |                   |
| Segment assets                               | <u>26,606,654</u>            | <u>2,260,191</u>   | <u>3,372,515</u>       | <u>32,239,360</u> |
| Segment liabilities                          | <u>14,163,534</u>            | <u>975,375</u>     | <u>-</u>               | <u>15,138,909</u> |

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

|  | (Un-audited)<br>September 30,<br>2023<br>(Rupees in '000) | (Audited)<br>June 30,<br>2023 |
|--|---|-------------------------------|
| Total for reportable segments assets   | 27,504,245  | 32,239,360                    |
| Unallocated assets   | 1,928,528   | 1,716,967                     |
| <b>Total assets as per Unconsolidated Statement<br/>of Financial Position</b>      | <u>29,432,773</u>   | <u>33,956,327</u>             |
| Total for reportable segments liabilities  | 10,375,149  | 15,138,909                    |
| Unallocated liabilities  | 3,676,987   | 3,568,148                     |
| <b>Total liabilities as per Unconsolidated Statement<br/>of Financial Position</b> | <u>14,052,136</u>   | <u>18,707,057</u>             |

## 20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue on October 27, 2023 by the Board of Directors of the Company.



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer



# CONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2023

|   | Note | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|---|------|---------------------------------------|-------------------------------|
| ----- (Rupees in '000) -----                                      |      |                                       |                               |
| <b>ASSETS</b>   |      |                                       |                               |
| <b>NON-CURRENT ASSETS</b>   |      |                                       |                               |
| Property, plant and equipment                                     | 5    | 30,165,936                            | 30,231,615                    |
| Right-of-use assets   |      | 19,892                                | 22,245                        |
| Intangible assets   |      | 360,085                               | 312,210                       |
| Investment in equity accounted investee                           | 6    | 1,887,867                             | 1,855,464                     |
| Long-term deposits  |      | 2,047                                 | 4,077                         |
|   |      | <u>32,435,827</u>                     | <u>32,425,611</u>             |
| <b>CURRENT ASSETS</b>   |      |                                       |                               |
| Stores and spares   | 7    | 1,278,253                             | 1,247,740                     |
| Stock-in-trade  |      | 27,506,323                            | 32,531,505                    |
| Trade debts   |      | 5,179,878                             | 5,327,874                     |
| Advances, trade deposits and prepayments                          |      | 258,773                               | 176,334                       |
| Other receivables   |      | 168,453                               | 95,339                        |
| Sales tax receivable  |      | 360,809                               | 1,156,198                     |
| Cash and bank balances  |      | 7,003,298                             | 2,411,238                     |
|   |      | <u>41,755,787</u>                     | <u>42,946,228</u>             |
| <b>TOTAL ASSETS</b>   |      | <u><b>74,191,614</b></u>              | <u><b>75,371,839</b></u>      |
| <b>EQUITY AND LIABILITIES</b>                                     |      |                                       |                               |
| <b>SHARE CAPITAL AND RESERVES</b>                                 |      |                                       |                               |
| Share capital   |      |                                       |                               |
| Issued, subscribed and paid-up capital                            |      | 1,318,819                             | 1,318,819                     |
| Revenue reserves  |      |                                       |                               |
| General reserve   |      | 3,112,325                             | 3,112,325                     |
| Unappropriated profit   |      | 14,408,661                            | 14,275,645                    |
| Exchange translation reserves                                     |      | 78,658                                | 83,445                        |
| Capital reserve   |      |                                       |                               |
| Revaluation surplus on property, plant and equipment              |      | 6,954,598                             | 7,068,935                     |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                 |      | <u><b>25,873,061</b></u>              | <u><b>25,859,169</b></u>      |
| Non-controlling interest  |      | <u><b>9,482,268</b></u>               | <u><b>9,406,738</b></u>       |
|   |      | <u><b>35,355,329</b></u>              | <u><b>35,265,907</b></u>      |
| <b>LIABILITIES</b>  |      |                                       |                               |
| <b>NON-CURRENT LIABILITIES</b>                                    |      |                                       |                               |
| Long-term financing - secured                                     | 8    | 4,788,129                             | 5,010,199                     |
| Deferred income - government grant                                |      | 156,610                               | 166,699                       |
| Gas Infrastructure Development Cess                               | 9    | 97,950                                | 191,619                       |
| Staff retirement benefits   |      | 177,520                               | 165,521                       |
| Deferred taxation - net   |      | 2,356,110                             | 2,192,287                     |
| Lease liabilities   |      | 13,126                                | 15,839                        |
|   |      | <u><b>7,589,445</b></u>               | <u><b>7,742,164</b></u>       |
| <b>CURRENT LIABILITIES</b>  |      |                                       |                               |
| Trade and other payables  | 10   | 17,468,958                            | 15,023,742                    |
| Contract liabilities  |      | 3,305,085                             | 2,822,281                     |
| Short-term borrowings - secured                                   | 11   | 6,259,220                             | 11,041,530                    |
| Unpaid dividend   |      | 739,232                               | -                             |
| Unclaimed dividend  |      | 42,157                                | 46,149                        |
| Unclaimed dividend attributable to non-controlling interest (NCI) |      | 8,497                                 | 10,024                        |
| Current portion of long-term financing - secured                  | 8    | 983,537                               | 986,204                       |
| Current portion of lease liabilities                              |      | 9,532                                 | 8,993                         |
| Taxation - net  |      | 2,067,243                             | 1,840,449                     |
| Accrued mark-up   |      | 363,379                               | 584,396                       |
|   |      | <u><b>31,246,840</b></u>              | <u><b>32,363,768</b></u>      |
| <b>TOTAL LIABILITIES</b>  |      | <u><b>38,836,285</b></u>              | <u><b>40,105,932</b></u>      |
| <b>CONTINGENCIES AND COMMITMENTS</b>                              | 12   |                                       |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                               |      | <u><b>74,191,614</b></u>              | <u><b>75,371,839</b></u>      |

The annexed notes 1 to 20 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, 2023

|   |      | Three months ended           |                       |
|---|------|------------------------------|-----------------------|
|   | Note | September 30,<br>2023        | September 30,<br>2022 |
|   |      | ----- (Rupees in '000) ----- |                       |
| Revenue from contracts with customers         | 13   | 27,153,138                   | 22,343,331            |
| Cost of sales                                 |      | (23,569,780)                 | (18,420,315)          |
| <b>Gross profit</b>                           |      | <b>3,583,358</b>             | <b>3,923,016</b>      |
| Selling and distribution expenses             |      | (718,122)                    | (611,091)             |
| Administrative expenses                       |      | (225,044)                    | (172,909)             |
| Charge of loss allowance on trade debts       |      | (34,234)                     | (21,356)              |
|   |      | (977,400)                    | (805,356)             |
| <b>Operating profit</b>                       |      | <b>2,605,958</b>             | <b>3,117,660</b>      |
| Finance cost                                  |      | (679,739)                    | (1,324,275)           |
| Other operating charges                       |      | (160,045)                    | (788,250)             |
|   |      | (839,784)                    | (2,112,525)           |
| Other income                                  |      | 93,625                       | 365,601               |
| Share of profit in equity accounted investee  |      | 34,737                       | 17,639                |
| <b>Profit before income tax</b>               |      | <b>1,894,536</b>             | <b>1,388,375</b>      |
| Income tax expense                            | 14   | (993,214)                    | (566,654)             |
| <b>Profit after tax for the period</b>        |      | <b>901,322</b>               | <b>821,721</b>        |
| <b>Profit attributable to:</b>                |      |                              |                       |
| - Owners of the Holding Company               |      | 350,931                      | 618,906               |
| - Non-controlling interest (NCI)              |      | 550,391                      | 202,815               |
|   |      | <b>901,322</b>               | <b>821,721</b>        |
|   |      | ----- (Rupees) -----         |                       |
| <b>Earnings per share - basic and diluted</b> |      | <b>2.66</b>                  | <b>4.69</b>           |

The annexed notes 1 to 20 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, 2023

| Three months ended   |                    |
|--|--------------------|
| September 30, 2023   | September 30, 2022 |
| ----- (Rupees in '000) -----   |                    |
| Profit after tax for the period  | 901,322            |
| Other comprehensive income   | 821,721            |
| Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss     |                    |
| Remeasurements of staff retirement benefits  |                    |
| - Adjustment related to opening deferred tax balance   |                    |
| Related deferred tax for the period  |                    |
| Surplus on revaluation of land and buildings   |                    |
| - Adjustment related to opening deferred tax balance on buildings                                |                    |
| Proportionate share of surplus on revaluation of land and buildings of equity accounted investee |                    |
| Related deferred tax for the period  |                    |
| Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss         |                    |
| Foreign operations - foreign currency translation difference                                     |                    |
| Proportionate share of other comprehensive income of equity accounted investee                   |                    |
| Other comprehensive income for the period  |                    |
| Total comprehensive income for the period  |                    |
| Total comprehensive income attributable to:  |                    |
| - Owners of the Holding Company  |                    |
| - Non-controlling interest (NCI)   |                    |



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer

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

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

For the three months ended September 30, 2023

|   | Attributable to owners of the Holding Company |                  |                       |                               |                        |  | Non-controlling interest | Total equity |            |
|---|---|------------------|-----------------------|-------------------------------|------------------------|--|--------------------------|--------------|------------|
|   | Issued, subscribed and paid-up capital        | Revenue reserves |                       |                               |                        | Capital reserve                                      |                          |              | Total      |
|   |   | General reserve  | Unappropriated profit | Exchange translation reserves | Total revenue reserves | Revaluation surplus on property, plant and equipment |                          |              |            |
|   | (Rupees in '000)                              |                  |                       |                               |                        |  |                          |              |            |
| Balance as at July 1, 2022  | 1,318,819                                     | 2,991,258        | 12,699,443            | 27,392                        | 15,718,093             | 6,986,115  | 24,023,027               | 9,376,528    | 33,399,555 |
| Profit after tax for the period   | -   | -                | 618,906               | -                             | 618,906                | -  | 618,906                  | 202,815      | 821,721    |
| Other comprehensive income for the period   | -   | -                | (104,805)             | 3,650                         | (101,155)              | 553,293  | 452,138                  | -            | 452,138    |
| Total comprehensive income for the period   | -   | -                | 514,101               | 3,650                         | 517,751                | 553,293  | 1,071,044                | 202,815      | 1,273,859  |
| Proportionate share of transfer to general reserves of equity accounted investee  |   | 52,571           | (52,571)              |                               |                        |  |                          |              |            |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax     | -   | -                | 45,781                | -                             | 45,781                 | (45,781)   | -                        | -            | -          |
| Proportionate share of revaluation surplus on property, plant and equipment - PCL   | -   | -                | 567                   | -                             | 567                    | (567)  | -                        | -            | -          |
| Transactions with owners recorded directly in equity  |   |                  |                       |                               |                        |  |                          |              |            |
| Distributions to owners of Holding Company<br>- Final dividend @ 60% (Rs. 6.00 per share)<br>for the year ended June 30, 2022 | -   | -                | (791,291)             | -                             | (791,291)              | -  | (791,291)                | -            | (791,291)  |
| Dividend to non-controlling interest  | -   | -                | -                     | -                             | -                      | -  | -                        | (854,750)    | (854,750)  |
| Balance as at September 30, 2022  | 1,318,819                                     | 3,043,829        | 12,416,030            | 31,042                        | 15,490,901             | 7,493,060  | 24,302,780               | 8,724,593    | 33,027,373 |
| Balance as at July 1, 2023  | 1,318,819                                     | 3,112,325        | 14,275,645            | 83,445                        | 17,471,415             | 7,068,935  | 25,859,169               | 9,406,738    | 35,265,907 |
| Profit after tax for the period   | -   | -                | 350,931               | -                             | 350,931                | -  | 350,931                  | 550,391      | 901,322    |
| Other comprehensive income for the period   | -   | -                | 1,179                 | (4,787)                       | (3,608)                | (69,634)   | (73,242)                 | -            | (73,242)   |
| Total comprehensive income for the period   | -   | -                | 352,110               | (4,787)                       | 347,323                | (69,634)   | 277,689                  | 550,391      | 828,080    |
| Proportionate share of transfer to general reserves of equity accounted investee  | -   | -                | -                     | -                             | -                      | -  | -                        | -            | -          |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax     | -   | -                | 43,904                | -                             | 43,904                 | (43,904)   | -                        | -            | -          |
| Proportionate share of surplus on revaluation of property, plant and equipment - PCL  | -   | -                | 766                   | -                             | 766                    | (799)  | (33)                     | -            | (33)       |
| Transactions with owners recorded directly in equity  |   |                  |                       |                               |                        |  |                          |              |            |
| Distributions to owners of Holding Company<br>- Final dividend @ 20% (Rs. 2.00 per share)<br>for the year ended June 30, 2023 | -   | -                | (263,764)             | -                             | (263,764)              | -  | (263,764)                | -            | (263,764)  |
| Dividend to non-controlling interest  | -   | -                | -                     | -                             | -                      | -  | -                        | (474,861)    | (474,861)  |
| Balance as at September 30, 2023  | 1,318,819                                     | 3,112,325        | 14,408,661            | 78,658                        | 17,599,644             | 6,954,598  | 25,873,061               | 9,482,268    | 35,355,329 |

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



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Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer

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

For the three months ended September 30, 2023

|   |      | Three months ended           |               |
|---|------|------------------------------|---------------|
|   |      | September 30,                | September 30, |
|   | Note | 2023                         | 2022          |
|   |      | ----- (Rupees in '000) ----- |               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |      |                              |               |
| <b>Cash generated from / (used in) operations</b>               | 15   | <b>11,638,965</b>            | (2,460,579)   |
| Finance cost paid   |      | <b>(867,795)</b>             | (1,028,139)   |
| Income on bank deposits received                                |      | <b>138,628</b>               | 7,043         |
| Staff retirement benefits paid                                  |      | <b>(15,614)</b>              | (8,108)       |
| Payment on account of compensated absences                      |      | <b>(15,740)</b>              | (14,634)      |
| Income tax paid - net   |      | <b>(668,751)</b>             | (937,092)     |
| <b>Net cash generated from / (used in) operations</b>           |      | <b>10,209,693</b>            | (4,441,509)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |      |                              |               |
| Payment for acquisition of property, plant and equipment        |      | <b>(564,820)</b>             | (154,876)     |
| Payment for acquisition of intangible assets                    |      | <b>(48,421)</b>              | (13,797)      |
| Investments in Term Deposit Receipt                             |      | <b>(1,600,000)</b>           | -             |
| Proceeds from disposal of property, plant and equipment         |      | <b>28,392</b>                | 18,358        |
| <b>Net cash used in investing activities</b>                    |      | <b>(2,184,849)</b>           | (150,315)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |      |                              |               |
| Proceeds from long-term financing                               |      | <b>-</b>                     | 64,220        |
| Repayment of long-term financing                                |      | <b>(234,557)</b>             | (254,929)     |
| Proceeds from short-term borrowings - net                       |      | <b>(1,311,004)</b>           | 521,190       |
| Lease rentals paid  |      | <b>(2,871)</b>               | (2,787)       |
| Dividends paid to non-controlling interest                      |      | <b>(476,388)</b>             | (11)          |
| Dividends paid to shareholders of the Holding Company           |      | <b>471,476</b>               | (1,485)       |
| <b>Net cash (used in) / generated from financing activities</b> |      | <b>(1,553,344)</b>           | 326,198       |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   |      | <b>6,471,500</b>             | (4,265,626)   |
| Cash and cash equivalents at beginning of the period            |      | <b>(3,133,006)</b>           | (19,741,322)  |
| Effects of exchange rate changes in cash and cash equivalents   |      | <b>(5,983)</b>               | (13,421)      |
| <b>Cash and cash equivalents at end of the period</b>           | 16   | <b>3,332,512</b>             | (24,020,369)  |

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



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

For the three months ended September 30, 2023

## 1. THE GROUP AND ITS OPERATIONS

- 1.1** The Group consists of International Industries Limited (the Holding Company), its 56.33%-owned subsidiary International Steels Limited (ISL), its wholly-owned subsidiary IIL Construction Solutions (Private) Limited (IIL CSL) and its wholly-owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia) and IIL Americas Inc. (IIL Americas) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% interest in an equity accounted investee, Pakistan Cables Limited (PCL).
- 1.2** The Holding Company was incorporated in Pakistan on March 1, 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes, polymer pipes & fittings. The Company also offers customized construction solution services. The registered office of the Company is situated at 101-107 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

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

- i) LX 15 - 16, HX-7/4, LX-2, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
- iii) 22 KM, Sheikhpura Road, Lahore.

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

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Hall No.1, Second Floor, Rafi Shopping Center, Plot No.7, Safari Valley, Rawalpindi;
- iii) 1592, 2nd Floor, Quaid-e-Azam Shopping Centre No.1, Multan Cantt;
- iv) Office No. 1/1, Wahab Centre, Electrocitiy Plaza, Susan Road, Faisalabad; and
- v) Office No. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar.

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

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

For the three months ended September 30, 2023

The manufacturing facilities of the Subsidiary Company 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, National Industrial Parks (NIP), Bin Qasim Industrial Zone, Karachi.

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

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

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

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

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

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

## **2. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

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

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

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

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

For the three months ended September 30, 2023

**2.1.1** These consolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Holding Company as at and for the year ended June 30, 2023.

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

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **2.4 Basis of consolidation**

### **2.4.1 Subsidiaries**

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

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

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

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

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

For the three months ended September 30, 2023

## 2.4.2 Transactions and non-controlling interests

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

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

**3.1** The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual consolidated financial statements as at and for the year ended June 30, 2023.

## 3.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Group's financial reporting.

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the consolidated financial statements and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

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

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

**4.2** The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended June 30, 2023.

**4.3** The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended June 30, 2023.

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

For the three months ended September 30, 2023

## 5. PROPERTY, PLANT AND EQUIPMENT

|   | Operating assets             | Capital work-in-progress<br>(including capital spares) | Total                    |
|---|------------------------------|--|--------------------------|
|   | ----- (Rupees in '000) ----- |  |                          |
| <b>Cost / revalued amount</b>                                   |                              |  |                          |
| Balance at beginning of the period                              | 42,010,590                   | 1,323,348  | 43,333,938               |
| Additions   | 185,127                      | 553,235  | 738,362                  |
| Translation reserve   | (184)                        | -  | (184)                    |
| Adjustments / transfers - net                                   | 97,619                       | (270,979)  | (173,360)                |
| Disposals   | (63,440)                     | -  | (63,440)                 |
|   | <u>42,229,712</u>            | <u>1,605,604</u>                                       | <u>43,835,316</u>        |
| <b>Accumulated depreciation</b>                                 |                              |  |                          |
| Balance at beginning of the period                              | (13,102,323)                 | -  | (13,102,323)             |
| Charge for the period   | (617,344)                    | -  | (617,344)                |
| Disposals   | 50,287                       | -  | 50,287                   |
|   | <u>(13,669,380)</u>          | <u>-</u>   | <u>(13,669,380)</u>      |
| <b>Written down value as at September 30, 2023 (Un-audited)</b> | <u><u>28,560,332</u></u>     | <u><u>1,605,604</u></u>                                | <u><u>30,165,936</u></u> |
| Written down value as at June 30, 2023 (Audited)                | <u><u>28,908,267</u></u>     | <u><u>1,323,348</u></u>                                | <u><u>30,231,615</u></u> |

(Un-audited) (Audited)  
Note **September 30, June 30,**  
**2023 2022**  
----- (Rupees in '000) -----

## 6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

|                               |     |                         |                         |
|-------------------------------|-----|-------------------------|-------------------------|
| Pakistan Cables Limited (PCL) |     |                         |                         |
| - associated company          | 6.1 | <u><u>1,887,867</u></u> | <u><u>1,855,464</u></u> |

**6.1** The Holding Company holds a 17.124% (June 30, 2023: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the companies have common directorships. The price per share of PCL as at reporting date was Rs. 85.29 (June 30, 2023: Rs. 82.92) resulting in a market value of total investment amounting to Rs. 649.53 million (June 30, 2023: Rs. 631.48 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at June 30, 2023 as the latest financial statements as at September 30, 2023 were presently not available.

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

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

For the three months ended September 30, 2023

|                          |      | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|--------------------------|------|---------------------------------------|-------------------------------|
|                          | Note | ----- (Rupees in '000) -----          |                               |
| <b>7. STOCK-IN-TRADE</b> |      |                                       |                               |
| Raw material - in hand   | 7.1  | 7,048,532                             | 12,615,638                    |
| - in transit             |      | 7,684,067                             | 5,499,968                     |
|                          |      | <u>14,732,599</u>                     | <u>18,115,606</u>             |
| Work-in-process          |      | 3,454,110                             | 1,623,223                     |
| Finished goods - in hand |      | 8,340,599                             | 12,168,747                    |
| - in transit             |      | 749,185                               | 387,918                       |
| By-products              |      | 15,895                                | 29,893                        |
| Scrap material           |      | 213,935                               | 206,118                       |
|                          |      | <u>27,506,323</u>                     | <u>32,531,505</u>             |

- 7.1** Raw material of the Holding Company amounting to Rs. 3.7 million as at September 30, 2023 (June 30, 2023: Rs. 2.8 million) was held at a vendor's premises for the production of pipe caps.

|   |      | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|---|------|---------------------------------------|-------------------------------|
|   | Note | ----- (Rupees in '000) -----          |                               |
| <b>8. LONG-TERM FINANCING - secured</b>               |      |                                       |                               |
| <b>CONVENTIONAL</b>                                   |      |                                       |                               |
| Long-Term Finance Facility (LTFF)                     | 8.2  | 1,101,282                             | 1,142,506                     |
| Long-Term Finance                                     |      | 540,910                               | 677,178                       |
| Temporary Economic Refinance Facility (TERF)          | 8.3  | 493,003                               | 493,003                       |
|   |      | <u>2,135,195</u>                      | <u>2,312,687</u>              |
| <b>ISLAMIC</b>  |      |                                       |                               |
| Diminishing Musharakah                                |      | 3,045,455                             | 3,079,545                     |
| Islamic Long-Term Finance Facility (ILTFF)            | 8.4  | 469,233                               | 489,217                       |
| Islamic Temporary Economic Refinance Facility (ITERF) | 8.5  | 237,317                               | 240,285                       |
| Islamic Finance Facility for Renewabale Energy (IFRE) | 8.6  | 80,000                                | 80,000                        |
|   |      | <u>3,832,005</u>                      | <u>3,889,047</u>              |
|   |      | <u>5,967,200</u>                      | <u>6,201,734</u>              |
| Less: Deferred income - government grant              |      | (195,534)                             | (205,331)                     |



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

For the three months ended September 30, 2023

|   | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|---|---------------------------------------|-------------------------------|
| Less: Current portion of long-term financing:         | ----- (Rupees in '000) -----          |                               |
| <b>CONVENTIONAL</b>                                   |                                       |                               |
| Long-Term Finance Facility (LTFF)                     | (365,154)                             | (352,869)                     |
| Long-Term Finance                                     | (395,455)                             | (395,455)                     |
| Temporary Economic Refinance Facility (TERF)          | (61,625)                              | (61,625)                      |
|   | <b>(822,234)</b>                      | <b>(809,949)</b>              |
| <b>ISLAMIC</b>  |                                       |                               |
| Diminishing Musharakah                                | (45,455)                              | (79,545)                      |
| Long-Term Finance                                     | (78,795)                              | (76,133)                      |
| Islamic Temporary Economic Refinance Facility (ITERF) | (29,053)                              | (12,577)                      |
| Islamic Finance Facility for Renewabale Energy (IFRE) | (8,000)                               | (8,000)                       |
|   | <b>(983,537)</b>                      | <b>(986,204)</b>              |
|   | <b>4,788,129</b>                      | <b>5,010,199</b>              |

- 8.1** The above loans are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX - 15 & 16. HX-7/4 and LX-2 Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95 Rehri Road, Landhi Town, Karachi of the Holding Company and by way of joint pari passu charge and ranking charge over the fixed assets of ISL (such as land, building, plant and machinery etc.).
- 8.1.1** In relation to the above borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreements with various lenders which are complied with as of the reporting date.
- 8.2** This represents finance facility loans obtained by the Holding Company and ISL from various banks under the State Bank of Pakistan's (SBP) Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.3** This represents finance facility loans obtained from various banks by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up new industrial units.
- 8.4** This represents finance facility loans obtained by the Holding Company and ISL from Islamic banks under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.5** This represents long-term loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available to the Holding Company from various Islamic banks at below-market interest rates.
- 8.6** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewabale Energy for solar power project.

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

For the three months ended September 30, 2023

## 9. GAS INFRASTRUCTURE DEVELOPMENT CESS

Supreme Court of Pakistan (SCP) upheld the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) through its judgement dated August 13, 2020 and advised the Government of Paksitan (the GoP) to initiate the gas pipeline project within six months. The SCP on November 2, 2020 ordered that its decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector are also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

The Holding Company and ISL have also filed civil suits before Sindh High Court (SHC) on the ground that they have not passed on the burden of the Cess. Stay orders were granted in the aforesaid suits, which are operative till the next date of hearing.

Despite the aforesaid order dated August 13, 2020 by the SCP, the GoP did not initiate the gas project within six months. Therefore, during the financial year ended June 30, 2021, the Holding Company and ISL filed a petition with the SHC challenging the validity of the GIDC Act, 2015.

|   |      | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|---|------|---------------------------------------|-------------------------------|
|   | Note |                                       |                               |
| <b>10. TRADE AND OTHER PAYABLES</b>                   |      | <b>----- (Rupees in '000) -----</b>   |                               |
| Trade creditors                                       |      | <b>8,298,202</b>                      | 4,684,877                     |
| Bills payable   |      | <b>461,668</b>                        | 1,381,901                     |
| Accrued expenses                                      | 10.1 | <b>3,535,571</b>                      | 3,782,410                     |
| Provision for Infrastructure Cess                     | 10.2 | <b>4,457,849</b>                      | 4,291,707                     |
| Provision for government levies                       |      | <b>3,995</b>                          | 3,094                         |
| Short-term compensated absences                       |      | <b>19,299</b>                         | 25,574                        |
| Workers' Profit Participation Fund                    |      | <b>100,186</b>                        | 277,336                       |
| Workers' Welfare Fund                                 | 10.3 | <b>402,383</b>                        | 389,776                       |
| Current portion of deferred income - government grant |      | <b>38,924</b>                         | 38,632                        |
| Others  |      | <b>150,881</b>                        | 148,435                       |
|   |      | <b><u>17,468,958</u></b>              | <b><u>15,023,742</u></b>      |

**10.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 1,460.9 million (June 30, 2023: Rs. 1,344.48 million) and also a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 843.31 million (June 30, 2023: Rs. 843.22 million).

**10.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC) passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 4,714.5 million (June 30, 2023: Rs. 4,250 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

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

For the three months ended September 30, 2023

Company and ISL on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh Infrastructure Cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute has been linked with the previous infrastructure cess case.

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

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

- 10.3** The Holding Company and ISL have filed a constitutional petition with the SHC against a notice to the companies for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the companies are making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Holding Company and ISL are trans-provincial establishments operating industrial and commercial activities across Pakistan and are liable to pay Workers Welfare Fund under federal Workers Welfare Fund Ordinance, 1971.

|   | Note | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|---|------|---------------------------------------|-------------------------------|
|   |      | ----- (Rupees in '000) -----          |                               |
| <b>11. SHORT-TERM BORROWINGS - secured</b>                                  |      |                                       |                               |
| <b>CONVENTIONAL</b>   |      |                                       |                               |
| Running finance under mark-up arrangement from banks                        | 11.1 | 309,638                               | 1,416,708                     |
| Short-term borrowing under Money Market Scheme maturing within three months | 11.1 | 960,000                               | 2,326,191                     |
| Short-term borrowing under Export Refinance Scheme                          | 11.2 | 3,997,000                             | 5,351,000                     |
| Short-term borrowing under Export Finance Scheme                            | 11.3 | 445,434                               | 207,463                       |
| Invoice Financing Liability   |      | 57,000                                | 239,139                       |
| <b>ISLAMIC</b>  |      |                                       |                               |
| Short-term borrowing under Money Market Scheme maturing within three months |      | -                                     | 925,000                       |
| Short-term borrowing under Running Musharakah maturing within three months  | 11.4 | 233,597                               | 376,029                       |
| Term Musharakah maturing within three months                                |      | 126,551                               | -                             |
| Short-term borrowing under Export Refinance Scheme                          |      | 130,000                               | 200,000                       |
|   |      | <b>6,259,220</b>                      | <b>11,041,530</b>             |

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

For the three months ended September 30, 2023

- 11.1** These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 21.77% to 23.40% (June 30, 2023: 21.18% to 22.63%) per annum. The rates of mark-up on these finances obtained by ISL range from 22.51% to 23.11% (June 30, 2023: 21.75% to 22.20%) per annum.
- 11.2** The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities obtained by Holding Company is 19.00% (June 30, 2023: 12.50% to 18.00%) per annum. The rates of mark-up on these facilities obtained by ISL range from 19.00% (June 30, 2023: 16.50% to 17.75%) per annum. These facilities mature within six months and are renewable.
- 11.3** The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 2.00% to 2.50% (June 30, 2023: 2.00% to 2.50%) per annum. These facilities mature within six months.
- 11.4** The Holding Company and ISL have obtained facilities for short-term finance under Running Musharakah. The rates of profit on these finances obtained by the Holding Company range from 22.81% to 23.31% (June 30, 2023: 21.41% to 22.38%) per annum. The rates of profit on these finances obtained by ISL range from 23.00% to 23.30% (June 30, 2023: 22.18% to 22.48%) per annum.
- 11.5** As at September 30, 2023, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 15,693 million (June 30, 2023: Rs. 12,224 million) and for ISL amounted to Rs. 23,932 million (June 30, 2023: Rs. 25,826 million).
- 11.6** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

There have been no significant changes during the period in the contingencies reported in the audited annual consolidated financial statements for the year ended June 30, 2023 except as discussed below.

#### Holding Company

- 12.1.1** In relation to the case of the sale of zinc wastages generated from imports under manufacturing bond, the Appellate Tribunal heard the case and the Customs department submitted its response during the hearing. The Appellate Tribunal, thereafter, reserved its order and, subsequently, announced its decision upholding the order of the Collector of Customs (Adjudication - II). Being aggrieved by the decision of the Appellate Tribunal, the Holding Company preferred a reference to the Sindh High Court (SHC). The SHC held the first hearing of the case on September 9, 2022, and has issued a short notice of a hearing to be held on October 19, 2022. adjourned the matter for a later date.
- 12.1.2** In connection to the application challenging the chargeability of tax on inter corporate dividends from the Company's subsidiary, International Steels Limited (ISL), the Company has filed various constitutional petitions before the SHC covering past dividends issued by ISL. Stay orders were granted in each respective case against submission of bank guarantees amounting Rs. 664.7 million (June 30, 2023: Rs. 664.7 million). The SHC has dismissed our petitions. The Company preferred appeals before the Supreme Court against all such dismissal orders by the SHC.

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

For the three months ended September 30, 2023

## 12.2 Commitments

### Holding Company and ISL

**12.2.1** Capital expenditure commitments outstanding as at September 30, 2023 amounted to Rs. 20.7 million (June 30, 2023: Rs. 183.42 million).

**12.2.2** Commitments under letters of credit for raw materials and stores and spares as at September 30, 2023 amounted to Rs. 12,292.5 million (June 30, 2023: Rs. 9,753.07 million).

**12.2.3** Facilities for opening letters of credit and guarantees from banks as at September 30, 2023 amounted to Rs. 54,100 million (June 30, 2023: Rs. 53,100 million) and Rs. 12,136 million (June 30, 2023: Rs. 11,334 million) respectively, of which the unutilised balance at period-end amounted to Rs. 41,807 million (June 30, 2023: Rs. 43,163 million) and Rs. 839 million (June 30, 2023: Rs. 7,872 million) respectively.

### Holding Company

**12.2.4** Commitments under purchase contracts as at September 30, 2023 amounted to Rs. 20.9 million (June 30, 2023: Rs. 832.20 million).

| (Un-audited)                 |                    |
|------------------------------|--------------------|
| Three months ended           |                    |
| September 30, 2023           | September 30, 2022 |
| ----- (Rupees in '000) ----- |                    |

## 13. REVENUE FROM CONTRACTS WITH CUSTOMERS

### Sale of goods less returns

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| Local           | 27,657,420        | 19,068,400        |
| Sales tax       | (4,139,246)       | (2,773,366)       |
| Trade discounts | (1,180,357)       | (553,636)         |
|                 | <u>22,337,817</u> | <u>15,741,398</u> |

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Export                        | 4,818,971         | 6,603,486         |
| Export commission & discounts | (3,650)           | (1,553)           |
|                               | <u>4,815,321</u>  | <u>6,601,933</u>  |
|                               | <u>27,153,138</u> | <u>22,343,331</u> |

## 14. INCOME TAX EXPENSE

|          |                |                |
|----------|----------------|----------------|
| Current  | 883,679        | 540,969        |
| Prior    | 11,861         | -              |
| Deferred | 97,674         | 25,685         |
|          | <u>993,214</u> | <u>566,654</u> |

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

For the three months ended September 30, 2023

|             |   | (Un-audited)                 |                     |
|-------------|---|------------------------------|---------------------|
|             |   | Three months ended           |                     |
| Note        |   | September 30, 2023           | September 30, 2022  |
|             |   | ----- (Rupees in '000) ----- |                     |
| <b>15.</b>  | <b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>                           |                              |                     |
|             | Profit before income tax  | 1,894,536                    | 1,388,375           |
|             | Add / (less): adjustments for non-cash charges and other items              |                              |                     |
|             | Depreciation of property, plant and equipment                               | 622,561                      | 556,041             |
|             | Depreciation of right-of-use assets   | 2,699                        | 2,459               |
|             | Amortisation of intangible assets   | 383                          | 420                 |
|             | Charge of loss allowance on trade debts                                     | 34,234                       | 21,356              |
|             | Provision for obsolescence against stores and spares                        | 13,316                       | 18,719              |
|             | Provision for staff retirement benefits                                     | 27,614                       | 22,530              |
|             | Provision for compensated absences  | 9,465                        | 6,176               |
|             | Income on bank deposits   | (138,628)                    | (7,043)             |
|             | Gain on disposal of property, plant and equipment                           | (15,238)                     | (14,721)            |
|             | Loss on remeasurement of Gas Infrastructure Development Cess                | 194                          | -                   |
|             | Share of profit from associated company                                     | (34,737)                     | (17,639)            |
|             | Government grant income   | (9,796)                      | (11,595)            |
|             | Unwinding of Gas Infrastructure Development Cess                            | 22,467                       | 26,513              |
|             | Finance cost  | 657,271                      | 1,297,761           |
|             |   | <b>3,086,341</b>             | <b>3,289,352</b>    |
|             | Changes in working capital  | 15.1 <b>8,552,624</b>        | <b>(5,749,931)</b>  |
|             |   | <b>11,638,965</b>            | <b>(2,460,579)</b>  |
| <b>15.1</b> | <b>Changes in working capital</b>   |                              |                     |
|             | (Increase) / decrease in current assets:                                    |                              |                     |
|             | Stores and spares   | (43,829)                     | (22,112)            |
|             | Stock-in-trade  | 5,025,182                    | (1,029,670)         |
|             | Trade debts   | 113,762                      | 786,028             |
|             | Advances, trade deposits and prepayments                                    | (82,439)                     | (215,649)           |
|             | Other receivables   | (73,114)                     | 17,961              |
|             | Sale tax receivable   | 795,389                      | (1,232,809)         |
|             |   | <b>5,734,951</b>             | <b>(1,696,251)</b>  |
|             | (Decrease) / increase in current liabilities:                               |                              |                     |
|             | Trade and other payables  | 2,334,869                    | (2,773,446)         |
|             | Contract liabilities  | 482,804                      | (1,280,234)         |
|             |   | <b>8,552,624</b>             | <b>(5,749,931)</b>  |
| <b>16.</b>  | <b>CASH AND CASH EQUIVALENTS</b>  |                              |                     |
|             | Cash and bank balances  | 5,019,298                    | 1,036,015           |
|             | Running finance under mark-up arrangement from banks                        | (366,638)                    | (2,676,411)         |
|             | Short-term borrowing under Money Market scheme maturing within three months | (960,000)                    | (16,865,500)        |
|             | Short-term borrowing under Running Musharakah maturing within three months  | (233,597)                    | (4,964,473)         |
|             | Term Musharakah maturing within three months                                | (126,551)                    | (550,000)           |
|             |   | <b>3,332,512</b>             | <b>(24,020,369)</b> |



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

For the three months ended September 30, 2023

## 17. TRANSACTIONS WITH RELATED PARTIES

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

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

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

|   | <b>(Un-audited)</b>                 |                           |
|---|-------------------------------------|---------------------------|
|   | <b>Three months ended</b>           |                           |
|   | <b>September 30, 2023</b>           | <b>September 30, 2022</b> |
|   | <b>----- (Rupees in '000) -----</b> |                           |
| <b>Associated companies</b>             |                                     |                           |
| Sales                                   | <b>687,826</b>                      | 922,782                   |
| Purchases                               | <b>8,736,277</b>                    | 9,635,175                 |
| Reimbursement of expenses               | <b>9,000</b>                        | 1,213                     |
| Insurance premium                       | <b>-</b>                            | 1,275                     |
| Rent income                             | <b>729</b>                          | 724                       |
| Dividend income                         | <b>1,267</b>                        | 39,601                    |
| Dividend distribution                   | <b>98,694</b>                       | 181,451                   |
| Registration and training               | <b>930</b>                          | 130                       |
| Subscription                            | <b>2,500</b>                        | 2,500                     |
| Services                                | <b>686</b>                          | 1,167                     |
| <b>Key management personnel</b>         |                                     |                           |
| Remuneration and allowances             | <b>235,354</b>                      | 147,297                   |
| <b>Staff retirement funds</b>           |                                     |                           |
| Contribution paid                       | <b>41,694</b>                       | 26,861                    |
| <b>Non-executive directors</b>          |                                     |                           |
| Directors' fee                          | <b>4,500</b>                        | 3,700                     |
| Reimbursement of<br>Chairman's expenses | <b>-</b>                            | 1,650                     |

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

For the three months ended September 30, 2023

## 18. SEGMENT REPORTING

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

| 18.1 | Segment revenue and results                          | Steel coils & sheets    | Steel pipes | Polymer pipes | Investment | Total        |
|------|--|-------------------------|-------------|---------------|------------|--------------|
|      | <b>For the three months ended September 30, 2023</b> | <b>(Rupees in '000)</b> |             |               |            |              |
|      | Revenue from contracts with customers                |                         |             |               |            |              |
|      | Local  | 15,302,788              | 5,717,468   | 1,317,561     | -          | 22,337,817   |
|      | Exports  | 3,625,492               | 1,189,829   | -             | -          | 4,815,321    |
|      |  | 18,928,280              | 6,907,297   | 1,317,561     | -          | 27,153,138   |
|      | Cost of sales  | (16,228,538)            | (6,332,185) | (1,009,057)   | -          | (23,569,780) |
|      | Gross profit   | 2,699,742               | 575,112     | 308,504       | -          | 3,583,358    |
|      | Selling and distribution expenses                    | (365,668)               | (324,937)   | (27,517)      | -          | (718,122)    |
|      | Administrative expenses                              | (107,386)               | (110,177)   | (7,481)       | -          | (225,044)    |
|      | Charge of loss allowance on trade debts              | -                       | (1,928)     | (32,306)      | -          | (34,234)     |
|      |  | (473,054)               | (437,042)   | (67,304)      | -          | (977,400)    |
|      | Finance cost   | (194,854)               | (406,806)   | (78,079)      | -          | (679,739)    |
|      | Other operating charges                              | (145,141)               | (2,626)     | (12,278)      | -          | (160,045)    |
|      |  | (339,995)               | (409,432)   | (90,357)      | -          | (839,784)    |
|      | Other income   | 124,885                 | (31,260)    | -             | -          | 93,625       |
|      | Share of profit in equity accounted investee         |                         | -           | -             | 34,737     | 34,737       |
|      | Profit before income tax                             | 2,011,578               | (302,622)   | 150,843       | 34,737     | 1,894,536    |
|      | Income tax expense                                   |                         |             |               |            | (993,214)    |
|      | Profit after tax for the period                      |                         |             |               |            | 901,322      |
|      | <b>For the three months ended September 30, 2022</b> |                         |             |               |            |              |
|      | Revenue from contracts with customers                |                         |             |               |            |              |
|      | Local  | 11,425,762              | 3,574,449   | 741,187       | -          | 15,741,398   |
|      | Exports  | 3,775,082               | 2,826,851   | -             | -          | 6,601,933    |
|      |  | 15,200,844              | 6,401,300   | 741,187       | -          | 22,343,331   |
|      | Cost of sales  | (12,938,208)            | (4,908,812) | (573,295)     | -          | (18,420,315) |
|      | Gross profit   | 2,262,636               | 1,492,488   | 167,892       | -          | 3,923,016    |
|      | Selling and distribution expenses                    | (62,772)                | (523,309)   | (25,010)      | -          | (611,091)    |
|      | Administrative expenses                              | (67,574)                | (99,483)    | (5,852)       | -          | (172,909)    |
|      | Charge of loss allowance on trade debts              | -                       | (15,206)    | (6,150)       | -          | (21,356)     |
|      |  | (130,346)               | (637,998)   | (37,012)      | -          | (805,356)    |
|      | Finance cost   | (861,446)               | (408,187)   | (54,642)      | -          | (1,324,275)  |
|      | Other operating charges                              | (775,086)               | (7,827)     | (5,337)       | -          | (788,250)    |
|      |  | (1,636,532)             | (416,014)   | (59,979)      | -          | (2,112,525)  |
|      | Other income   | 25,463                  | 340,138     | -             | -          | 365,601      |
|      | Share of profit in equity accounted investee         | -                       | -           | -             | 17,639     | 17,639       |
|      | Profit before income tax                             | 521,221                 | 778,614     | 70,901        | 17,639     | 1,388,375    |
|      | Income tax expense                                   |                         |             |               |            | (566,654)    |
|      | Profit after tax for the period                      |                         |             |               |            | 821,721      |

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

For the three months ended September 30, 2023

|  | Steel coils & sheets | Steel pipes       | Polymer pipes    | Investments      | Total             |
|--|----------------------|-------------------|------------------|------------------|-------------------|
|  | (Rupees in '000)     |                   |                  |                  |                   |
| <b>18.2 Segment assets and liabilities</b>   |                      |                   |                  |                  |                   |
| <b>As at September 30, 2023 - Un-audited</b> |                      |                   |                  |                  |                   |
| Segment assets                               | <u>46,379,906</u>    | <u>22,080,672</u> | <u>2,527,281</u> | <u>1,887,867</u> | <u>72,875,726</u> |
| Segment liabilities                          | <u>24,050,834</u>    | <u>10,145,059</u> | <u>695,826</u>   | <u>-</u>         | <u>34,891,719</u> |
| <b>As at June 30, 2023 - Audited</b>         |                      |                   |                  |                  |                   |
| Segment assets                               | <u>42,063,322</u>    | <u>27,475,893</u> | <u>2,260,191</u> | <u>1,855,464</u> | <u>73,654,870</u> |
| Segment liabilities                          | <u>20,519,864</u>    | <u>14,783,068</u> | <u>975,375</u>   | <u>-</u>         | <u>36,278,307</u> |

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

|  | (Un-audited)<br>September 30,<br>2023 | (Audited)<br>June 30,<br>2023 |
|--|---------------------------------------|-------------------------------|
|  | (Rupees in '000)                      |                               |
| Total for reportable segments assets   | <u>72,875,726</u>                     | 73,654,870                    |
| Unallocated assets   | <u>1,315,888</u>                      | 1,716,969                     |
| <b>Total assets as per Consolidated Condensed Interim Statement of Financial Position</b>      | <u><b>74,191,614</b></u>              | <u>75,371,839</u>             |
| Total for reportable segments liabilities  | <u>34,891,719</u>                     | 36,278,307                    |
| Unallocated liabilities  | <u>3,944,566</u>                      | 3,827,625                     |
| <b>Total liabilities as per Consolidated Condensed Interim Statement of Financial Position</b> | <u><b>38,836,285</b></u>              | <u>40,105,932</u>             |

## 19. CORRESPONDING FIGURES

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

## 20. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue on October 27, 2023 by the Board of Directors of the Holding Company.



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



**Muhammad Akhtar**  
Chief Financial  
Officer



**Sohail R. Bhojani**  
Chief Executive  
Officer



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