

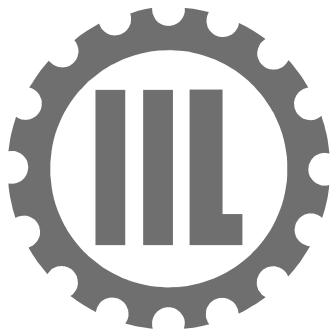
Progress with purpose

Unaudited Financial Statements

For the Half Year Ended December 31, 2024

2024





International Industries Limited

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

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Company Information

Chairman (Non-Executive)

Mr. Kamal A. Chinoy

Independent Directors

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

Non-Executive Directors

Mr. Mustapha A. Chinoy
Mrs. Selina Rashid Khan

Chief Executive Officer

Mr. Yousuf H. Mirza

Chief Financial Officer

Mr. Salman Najeeb

Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

Chief Internal Auditor

Mr. Muhammad Atif Khan

External Auditor

M/s A.F. Ferguson & Co.

Bankers

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

Legal Advisor

K. M. S. Law Associates

National Tax Number

0710735-8

Sales Tax Registration Number

02-04-7306-001-82

Registered Office

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

Lahore Office

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

Islamabad Office

Plot No. 9, Street No. 01,
Ibrahim Tower, Business Park,
Gulberg Green, Islamabad, Pakistan

Multan Office

Office No. 708-A, The United Mall, Plot No. 74,
Abdali Road, Multan.
Telephone: +92 61-4570571

Peshawar Office

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

IIL Trading (Pvt.) Limited

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

Trading Office (Karachi)

Plot No. 91-C, Phase-II
Ext. 24th Commercial Street,
DHA, Karachi.

Trading Office (Lahore)

BWB 192, Broadway Commercial,
DHA, Phase 8, Lahore.

IIL Americas Inc.

Suite 210-5800
Ambler Drive, Mississauga
ONL4W4J4, Canada

IIL Australia Pty Limited

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

Factories

Factory 1

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

Factory 2

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

Factory 3

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

Investor Relations Contact

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

Corporate Website

www.iil.com.pk

Directors' Report

For the half year ended December 31, 2024

The Directors of your company are pleased to present the financial statements for the period ending 31st December 2024.

The economy continued its course of stability under the USD 7 Bn Extended fund facility program by the IMF. The fall in petroleum prices supported the slide in inflation to 4.1% in December 2024. The exchange rate remained stable at around Rs.278 per USD supported by strong remittances and export receipts. A current account surplus of USD 1.2 Bn and an increase in foreign exchange reserves was also encouraging. However the positive news on the economic front has not so far translated into increased economic activity in the country, as evidenced by the contraction in the large-scale manufacturing sector by 1.25% in July-November 2024.

Challenges included volatility in steel prices. Sluggish international growth and increased trade barriers in major economies resulted in a significant decline in steel prices. In addition, local industry remained under pressure due to rising costs and continued misuse of sales tax exemptions granted to FATA/PATA regions.

In spite of these challenges, we managed to grow our market share and the sales volumes in Q2 reflected growth over the first quarter. However, sales revenue for the overall period stood at Rs.11.852 Bn, which was 29% lower than the same period year (SPLY), due to the fall in steel prices.

The company also pursued various productivity initiatives and efficient working factory management to mitigate the impact of rising costs. In addition to these, we remained focused on offering customized engineering solutions to meet the growing needs of the domestic industry.

Financial charges of Rs.347 Mn reflected a 58% reduction over last year due to reducing interest rates as well as aggressive cash management. Your company was successful in its efforts to reduce its exposure to bank debt by Rs.3.8 Bn.

Exchange loss on export sales negatively impacted the bottom line and resulted in a Profit After Tax of Rs. 387 Mn (EPS Rs. 2.94), compared to a Profit After Tax of Rs. 865 Mn (EPS 6.56) during the first half of last year. This includes dividend income of Rs. 735 Mn (SPLY: Rs. 613 Mn) from subsidiary and associate companies.

The Company's major subsidiary, International Steels Limited (ISL), has reported a sales turnover of Rs. 31,803 Mn (SPLY: Rs. 39,739 Mn) and a Profit after Tax at Rs. 534 Mn (SPLY: Rs. 2,353 Mn). EPS has been reported at Rs. 1.23 vs Rs. 5.41 in the same period last year.

On behalf of the Board, I would like to express our sincere gratitude to our employees, customers, suppliers, and shareholders for their continued support during this challenging period. Your commitment to the company is greatly appreciated, and we remain dedicated to maintaining the company's financial health and long-term success.

For & on behalf of
International Industries Limited



Kamal A. Chinoy
Chairman

Karachi: January 30, 2025

ڈائریکٹرز کی رپورٹ

برائے مدت مختتمہ 31 دسمبر 2024

کمپنی کے بڑے ذیلی ادارے انٹرنیشنل اسٹیلز لمیٹڈ (ISL) نے فروخت کی آمدنی 31,803 ملین روپے رپورٹ کی ہے۔ (گزشتہ سال کی اسی مدت میں 39,739 ملین روپے) اور بعد از ٹیکس منافع 534 ملین روپے (گزشتہ سال کی اسی مدت میں 2,353 ملین روپے) رہا۔ فی شیئر آمدنی 1.23 روپے رپورٹ ہوئی جو گزشتہ سال کی اسی مدت میں 5.41 روپے تھی)

بورڈ کی جانب سے میں اپنے ایمپلائز، کسٹمرز، سپلائرز اور شیئر ہولڈرز کا خلوص دل سے شکریہ ادا کرتا ہوں، جنہوں نے اس چیلنج کے دور میں ہمارے ساتھ مسلسل تعاون جاری رکھا۔ کمپنی کے آپ کی وابستگی کے ہم تہہ دل سے معترف ہیں اور کمپنی کی بہترین مالی حالت جاری رکھنے اور طویل المدت کامیابی کیلئے پرعزم ہیں۔

برائے اور منجانب

انٹرنیشنل اسٹیلز لمیٹڈ



کمال اے چنائے

چیرمین

کراچی 30 جنوری 2025

ڈائریکٹرز کی رپورٹ

برائے مدتِ مختتمہ 31 دسمبر 2024

آپ کی کمپنی کے ڈائریکٹرز مالیاتی اسٹیٹمنٹس برائے مدتِ مختتمہ 31 دسمبر 2024 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ہماری معیشت IMF کے 7 بلین یو ایس ڈالر کے توسیعی فنڈ فیسلٹی پروگرام کے تحت استحکام کی راہ پر گامزن ہے۔ پیٹرولیم کی قیمتوں میں کمی کے سبب دسمبر 2024 میں افراط زر کی شرح 4.1% تک کم ہو گئی۔ زرمبادلہ کی شرح بھی کم و بیش 278 روپے فی یو ایس ڈالر پر مستحکم رہی، جس کو بھرپور ترسیلات اور برآمدات سے خاصی مدد حاصل ہوئی۔ 1.2 بلین یو ایس ڈالر کے کرنٹ اکاؤنٹ سرپلس اور زرمبادلہ کے ذخائر میں اضافہ بھی حوصلہ افزاء پیش رفت ہے۔ تاہم معیشت کے محاذ سے ان مثبت خبروں کے باوجود بھی ملک میں معاشی سرگرمیوں میں کوئی اضافہ دیکھنے میں نہیں آیا جس کا اظہار بڑے پیمانے کی مینوفیکچرنگ کے شعبہ میں جولائی۔ نومبر 2024 کے عرصے میں ہونے والی 1.25% کمی سے ہوتا ہے۔

دیگر چیلنجز میں اسٹیل کی قیمتوں میں اتار چڑھاؤ، بین الاقوامی نمو کی سست روی اور بڑی معیشتوں میں بڑھتی ہوئی تجارتی پابندیوں کے نتیجے میں اسٹیل کی قیمتوں میں نمایاں کمی آنا شامل ہے۔ اس کے علاوہ بڑھتی ہوئی قیمتوں اور فائنا/پائریجن کو دیئے گئے ٹیکس سے استثنیٰ کے مسلسل ناجائز استعمال سے مقامی صنعت بھی دباؤ کا شکار رہی۔

ان چیلنجز کے باوجود، ہم نے پہلی سہ ماہی کے مقابلے میں دوسری سہ ماہی میں اپنے مارکیٹ شیئر اور فروخت کے حجم میں اضافہ کرنے میں کامیابی حاصل کی۔ تاہم مجموعی طور پر اس مدت میں فروخت کی آمدنی 11.852 بلین روپے رہی جو گزشتہ سال کی اسی مدت (SPLY) سے 29% کم ہے جس کی وجہ اسٹیل کی قیمتوں میں کمی تھی۔

کمپنی نے مختلف پیداواری اقدامات کا آغاز کیا اور بڑھتی ہوئی قیمتوں کے اثرات کے خاتمے کیلئے فیکٹری کو زیادہ مستعدی کے ساتھ منظم کیا۔ ان کے علاوہ، ہم نے ملکی صنعت کی بڑھتی ہوئی ضروریات پورا کرنے کیلئے خصوصی انجینئرنگ سلوشنز پیش کئے۔

مالیاتی اخراجات 347 ملین روپے ہوئے، جو گزشتہ سال کے مقابلے میں 58% کم ہیں جس کی وجہ شرح سود میں کمی کے علاوہ کیش کی بہترین منیجمنٹ تھی۔ آپ کی کمپنی کی کاوشوں سے بینک کے قرضہ جات میں 3.8 بلین روپے کی کمی آئی۔

برآمدات کی فروخت میں زرمبادلہ کے خسارے کے باعث بنیادی لائن پر منفی اثرات مرتب ہوئے اور اس کے نتیجے میں بعد از ٹیکس منافع 387 ملین روپے (نی شیئر آمدنی 2.94 روپے) حاصل ہوا جبکہ اس کے مقابلے میں گزشتہ سال کی پہلی ششماہی میں بعد از ٹیکس منافع 865 ملین روپے ہوا تھا (نی شیئر آمدنی 6.56 روپے)۔ اس میں ہماری ذیلی اور ایسوسی ایٹ کمپنیوں کی جانب سے ڈیویڈنڈ کی آمدنی 735 ملین روپے (گزشتہ سال کی اسی مدت میں 613 ملین روپے) شامل ہے۔

Independent Auditor's Review Report

For the half year ended December 31, 2024



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of International Industries Limited

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of International Industries Limited as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 11, 2025

UDIN: RR2024100736flzrSW4I

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD

UNCONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2024

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,157,980	12,246,466
Intangible assets		968	1,584
Investments	6	3,420,965	3,372,515
Long-term deposits		7,450	4,358
Deferred taxation - net		95,883	35,496
		<u>15,683,246</u>	<u>15,660,419</u>
CURRENT ASSETS			
Stores and spares		182,217	195,318
Stock-in-trade	7	7,728,018	9,897,354
Trade debts		3,597,645	4,998,267
Advances, trade deposits and prepayments		96,419	59,027
Other receivables		63,717	38,370
Sales tax receivable		14,573	404,182
Cash and bank balances		679,773	384,717
		<u>12,362,362</u>	<u>15,977,235</u>
TOTAL ASSETS		<u>28,045,608</u>	<u>31,637,654</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,700,036	2,700,036
Unappropriated profit		7,401,367	7,440,635
Capital reserve			
Revaluation surplus on property, plant and equipment		6,933,348	6,968,184
TOTAL SHAREHOLDERS' EQUITY		<u>18,353,570</u>	<u>18,427,674</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	8	2,607,977	3,276,359
Deferred income - government grant		25,673	30,035
Staff retirement benefits		57,202	73,664
		<u>2,690,852</u>	<u>3,380,058</u>
CURRENT LIABILITIES			
Trade and other payables	9	3,249,095	2,678,911
Contract liabilities		489,465	566,883
Short-term borrowings - secured	10	2,451,704	5,086,048
Unclaimed dividend		41,904	41,275
Current portion of long-term financing - secured	8	155,072	615,103
Taxation - net		584,651	576,614
Accrued mark-up		29,295	265,088
		<u>7,001,186</u>	<u>9,829,922</u>
TOTAL LIABILITIES		<u>9,692,038</u>	<u>13,209,980</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	11	<u>28,045,608</u>	<u>31,637,654</u>

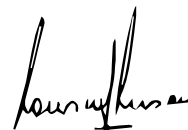
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
 Director & Chairman
 Borad Audit Committee



Salman Najeeb
 Chief Financial
 Officer



Yousuf H. Mirza
 Chief Executive
 Officer

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

For the half year ended December 31, 2024

	Note	Six months ended		Three months ended	
		December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
----- (Rupees in '000) -----					
Revenue from contracts with customers	12	11,851,845	16,600,901	6,562,381	8,489,108
Cost of sales		(10,650,260)	(14,061,454)	(5,883,302)	(6,965,726)
Gross profit		1,201,585	2,539,447	679,079	1,523,382
Selling and distribution expenses		(639,457)	(641,645)	(321,645)	(357,826)
Administrative expenses		(201,798)	(200,561)	(95,060)	(112,604)
Reversal / (charge) of loss allowance on trade debts		15,104	(49,310)	12,102	(12,889)
		(826,151)	(891,516)	(404,603)	(483,319)
Operating profit		375,434	1,647,931	274,476	1,040,063
Finance cost		(347,081)	(828,691)	(116,601)	(347,982)
Other operating (expense) / income		(9,698)	(62,686)	9,495	(49,685)
		(356,779)	(891,377)	(107,106)	(397,667)
Other income/ (expense) - net	13	691,436	582,742	(152,758)	(651)
Profit before levies and income tax		710,091	1,339,296	14,612	641,745
Levies	14	(15,154)	(25,223)	(8,430)	(14,440)
Profit before tax		694,937	1,314,073	6,182	627,305
Income tax expense	15	(307,454)	(449,122)	(72,649)	(179,509)
Profit / (loss) after tax for the period		387,483	864,951	(66,467)	447,796
Earnings/ (loss) per share					
- basic and diluted (Rupees)		2.94	6.56	(0.50)	3.40

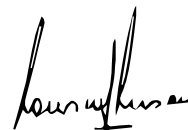
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----			
Profit/ (loss) after tax for the period	387,483	864,951	(66,467)	447,796
Other comprehensive income / (loss)				
Items that will not be subsequently reclassified to unconsolidated condensed interim statement of profit or loss				
Remeasurement of staff retirement benefits				
- Adjustment related to opening deferred tax balance	-	1,811	-	(1,669)
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance	-	(19,615)	-	5,889
Other comprehensive (loss) / income for the period - net of tax	-	(17,804)	-	4,220
Total comprehensive income/ (loss) for the period	387,483	847,147	(66,467)	452,016

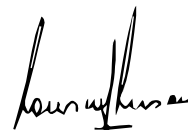
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserve	Unappropriated profit	Revaluation surplus on property, plant and equipment	
----- (Rupees in '000) -----					
Balance as at July 1, 2023	1,318,819	2,700,036	6,322,088	4,908,327	15,249,270
Profit after tax for the period	-	-	864,951	-	864,951
Other comprehensive income / (loss) for the period	-	-	1,811	(19,615)	(17,804)
Total comprehensive income / (loss) for the period	-	-	866,762	(19,615)	847,147
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	42,054	(42,054)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	-	(263,764)
Balance as at December 31, 2023	1,318,819	2,700,036	6,967,140	4,846,658	15,832,653
Balance as at July 1, 2024	1,318,819	2,700,036	7,440,635	6,968,184	18,427,674
Profit after tax for the period	-	-	387,483	-	387,483
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	387,483	-	387,483
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	34,836	(34,836)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	-	(461,587)
Balance as at December 31, 2024	1,318,819	2,700,036	7,401,367	6,933,348	18,353,570

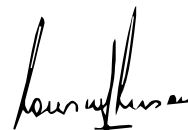
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

Note	Six months ended		
	December 31, 2024	December 31, 2023	
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	4,991,428	4,552,662
Finance cost paid		(576,152)	(882,347)
Income on bank deposits received		13,925	5,571
Staff retirement benefits paid		(46,501)	(14,000)
Payment on account of compensated absences		(20,165)	(8,973)
Income tax and levies paid		(374,958)	(351,037)
Increase in long-term deposit		(3,092)	-
Net cash generated from operating activities		3,984,485	3,301,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(189,163)	(432,034)
Investment in associate company		(48,450)	-
Proceeds from disposal of property, plant and equipment		41,643	25,519
Dividend received		735,167	612,639
Net cash generated from investing activities		539,197	206,124
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,133,324)	(501,115)
Proceeds from short-term borrowings - net		(950,550)	171,668
Dividend paid		(460,958)	(269,741)
Net cash used in financing activities		(2,544,832)	(599,188)
Net increase in cash and cash equivalents		1,978,850	2,908,812
Cash and cash equivalents at beginning of the period		(1,624,775)	(4,424,408)
Cash and cash equivalents at end of the period	17	354,075	(1,515,596)

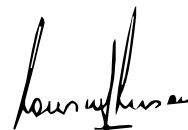
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Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

1. STATUS AND NATURE OF BUSINESS

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

The manufacturing facilities of the Company are situated as follows:

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

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

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Office no. 708-A, The United Mall, Plot No. 74, Abdali Road, Multan.
- iii) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- iv) Plot no. 9, Street No. 01, Ibrahim Tower, Business Park, Gulberg Green, Islamabad.
- v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

For the half year ended December 31, 2024

2.1.3 The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended December 31, 2023.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION

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

3.2 Restatement

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

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the financial statements of the Company for the year ended June 30, 2024. Accordingly the figures of prior period condensed interim financial statement for the period ended December 31, 2023 have been restated. There has been no effect on the condensed interim statement of financial position, condensed interim statement of changes in equity, the condensed interim statement of cash flows and earnings per share as a result of this change.

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

For the half year ended December 31, 2024

The impact of the restatement is as under:

	For the six months ended December 31, 2024			For the six months ended December 31, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating the effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating the effects of change in accounting policy
	----- (Rupees in '000) -----					
Profit before income tax	710,091	(15,154)	694,937	1,339,296	(25,223)	1,314,073
Levies	-	(15,154)	(15,154)	-	(25,223)	(25,223)
Income tax - net	(322,608)	15,154	(307,454)	(474,345)	25,223	(449,122)

3.3 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

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

For the half year ended December 31, 2024

5. PROPERTY, PLANT AND EQUIPMENT	Operating assets	Capital work-in-progress (including capital stores and spares)	Total
Note			
	----- (Rupees in '000) -----		
Cost / revalued amount			
Balance at beginning of the period	16,275,174	91,565	16,366,739
Additions	-	229,163	229,163
Transfers	5.1 153,382	(153,382)	-
Disposals	5.1 (77,743)	-	(77,743)
	16,350,813	167,346	16,518,159
Accumulated depreciation			
Balance at beginning of the period	(4,120,273)	-	(4,120,273)
Charge for the period	(312,341)	-	(312,341)
Disposals	5.1 72,435	-	72,435
	(4,360,179)	-	(4,360,179)
Written down value			
as at December 31, 2024 (Un-audited)	11,990,634	167,346	12,157,980
Written down value			
as at June 30, 2024 (Audited)	12,154,901	91,565	12,246,466

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----			
Building on freehold land	29,061	-	-	-
Building on leasehold land	1,040	-	-	-
Plant and machinery	84,057	63,907	247	-
Furniture, fixtures and office equipment	17,181	8,877	564	47
Vehicles	22,043	59,277	4,497	8,417
	153,382	132,061	5,308	8,464

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

For the half year ended December 31, 2024

6. INVESTMENTS

(Un-audited) December 31, 2024 (Number of shares)	(Audited) June 30, 2024		(Un-audited) December 31, 2024 ----- (Rupees in '000) -----	(Audited) June 30, 2024
Quoted Companies				
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	2,450,555	2,450,555
9,325,438	8,477,671	Pakistan Cables Limited (PCL) - associated company, at cost note 6.1	817,553	817,553
Un-quoted Companies				
150,000	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	17,966	17,966
100,000	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	9,168	9,168
7,727,270	7,727,270	IIL Trading (Private) Limited (Formerly IIL Construction Solutions (Private) Limited) - subsidiary company, at cost	77,273	77,273
4,845,000	-	Chinoy Engineering & Construction (Private) Limited - associated company, at cost note 6.2	48,450	-
			<u>3,420,965</u>	<u>3,372,515</u>

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

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

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

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

For the half year ended December 31, 2024

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
7. STOCK-IN-TRADE		----- (Rupees in '000) -----	
Raw material - in hand	7.1 & 7.2	3,569,949	4,533,554
- in transit		901,062	670,681
		4,471,011	5,204,235
Work-in-process		814,948	996,717
Finished goods	7.3	2,316,031	3,446,490
By-products		63,653	34,404
Scrap material		62,375	215,508
		7,728,018	9,897,354

7.1 Raw material amounting to Rs. 2.6 million as at December 31, 2024 (June 30, 2024: Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.

7.2 Raw material include items amounting to Rs. 149.77 million as at December 31, 2024 (June 30, 2024: Rs. Nil) stated at their net realizable values against their cost Rs. 158.10 million (June 30, 2024: Rs. Nil).

7.3 Finished goods include items amounting to Rs. 55.90 million as at December 31, 2024 (June 30, 2024: Rs. 200.75 million) stated at their net realizable values against their cost Rs. 67.56 million (June 30, 2024: Rs. 218.78 million).

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
8. LONG-TERM FINANCING - secured		----- (Rupees in '000) -----	
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	8.2	333,892	387,410
Long-Term Finance		-	145,455
		333,892	532,865
ISLAMIC			
Diminishing Musharakah		2,100,000	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	8.3	76,902	84,331
Islamic Temporary Economic Refinance Facility (ITERF)	8.4	215,745	226,858
Islamic Finance Facility for Renewable Energy (IFRE)	8.5	71,111	75,556
		2,463,758	3,398,109
		2,797,650	3,930,974
Less: Deferred income - government grant		(34,601)	(39,512)

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

For the half year ended December 31, 2024

(Un-audited) (Audited)
December 31, June 30,
2024 2024
----- (Rupees in '000) -----

Less: Current portion of long-term financing:

CONVENTIONAL

Long-Term Finance Facility (LTFF)
Long-Term Finance

(101,305)	(108,406)
-	(145,455)
(101,305)	(253,861)
-	(311,364)
(14,859)	(14,859)
(30,019)	(26,130)
(8,889)	(8,889)
(53,767)	(361,242)
(155,072)	(615,103)
<u>2,607,977</u>	<u>3,276,359</u>

ISLAMIC

Diminishing Musharakah
Islamic Long-Term Finance Facility (ILTFF)
Islamic Temporary Economic Refinance Facility (ITERF)
Islamic Finance Facility for Renewable Energy (IFRE)

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

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

For the half year ended December 31, 2024

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
9. TRADE AND OTHER PAYABLES		----- (Rupees in '000) -----	
Trade creditors		591,911	94,452
Bills payable		350,287	148,027
Accrued expenses	9.1	849,086	1,070,464
Provision for Infrastructure Cess	9.2	1,360,353	1,260,670
Short-term compensated absences		3,000	8,928
Workers' Profit Participation Fund		-	240
Workers' Welfare Fund	9.3	71,276	85,109
Current portion of deferred income - government grant		8,928	9,477
Others		14,254	1,544
		<u>3,249,095</u>	<u>2,678,911</u>

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

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

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

9.2 This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,437 million (June 30, 2024: Rs. 1,337 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has increase the rate of Infrastructure Cess to 1.25%. The Company had obtained a stay against this and the ultimate dispute had been linked with the previous Infrastructure Cess case.

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

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

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

For the half year ended December 31, 2024

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

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

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
10. SHORT-TERM BORROWINGS - secured		----- (Rupees in '000) -----	
CONVENTIONAL			
Running finance under mark-up arrangement from banks	10.1	124,869	489,808
Short-term borrowing under Money Market Scheme maturing within three months	10.1	-	300,000
Short-term borrowing under Export Refinance Scheme	10.2	700,000	1,300,000
Short-term borrowing under Export Finance Scheme	10.3	594,208	552,601
Short-term borrowing under FE-25 Import	10.4	336,242	1,223,955
ISLAMIC			
Short-term borrowing under Money Market Scheme maturing within three months		-	1,000,000
Short-term borrowing under Running Musharakah maturing within three months	10.5	200,829	219,684
Short-term borrowing under FE-25 Import	10.6	495,556	-
		<u>2,451,704</u>	<u>5,086,048</u>

- 10.1** These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from 15.13% to 21.33% (June 30, 2024: 20.24% to 22.52%) per annum.

- 10.2** The Company has obtained short-term finance under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 10.00% to 16.50% (June 30, 2024: 17.50%) per annum. These facilities mature within six months and are renewable.

- 10.3** The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.00% to 3.00% (June 30, 2024: 2.00% to 2.50%) per annum.

- 10.4** The Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities range from 5.75% to 10.25% (June 30, 2024: 7.50% to 10.25%) per annum.

- 10.5** The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 16.19% to 22.29% (June 30, 2024: 20.30% to 22.29%) per annum.

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

For the half year ended December 31, 2024

- 10.6** The Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities range from 7.5% to 8.00% (June 30, 2024: Nil) per annum.
- 10.7** As at December 31, 2024, the unavailed facilities from the above borrowings amounted to Rs. 13,563 million (June 30, 2024: Rs. 12,938 million).
- 10.8** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future moveable assets of the Company.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

11.2 Commitments

- 11.2.1** Capital expenditure commitments outstanding as at December 31, 2024 amounted to Rs. 0.90 million (June 30, 2024: Rs. 6.86 million).
- 11.2.2** Commitments under letters of credit for raw materials and stores and spares as at December 31, 2024 amounted to Rs. 1,070.62 million (June 30, 2024: Rs. 885.06 million).
- 11.2.3** Commitments under purchase contracts as at December 31, 2024 amounted to Rs. 187.78 million (June 30, 2024: Rs. 17.53 million).
- 11.2.4** The facilities for opening letters of credit and guarantees from banks as at December 31, 2024 amounted to Rs. 14,700 million (June 30, 2024: Rs. 15,200 million) and Rs. 3,800 million (June 30, 2024: Rs. 3,800 million) respectively, of which the unutilised balance at period-end amounted to Rs. 13,629 million (June 30, 2024: Rs. 14,308 million) and Rs. 447 million (June 30, 2024: Rs. 313 million) respectively.
- 11.2.5** The Company has issued a performance guarantee to Reko Diq Mining Company Ltd (RDMC) to ensure that CECL performs its obligations under the contract with RDMC, with joint and several liability with subsidiary company, International Steels Limited and associated company, Pakistan Cables Limited.

(Un-audited)

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
12. REVENUE FROM CONTRACTS WITH CUSTOMERS	----- (Rupees in '000) -----			
Sale of goods less returns				
Local	13,569,155	17,945,951	7,520,832	8,848,741
Sales tax	(1,887,840)	(2,595,814)	(1,034,855)	(1,296,780)
Trade discounts	(1,344,884)	(1,271,565)	(766,566)	(506,853)
	10,336,431	14,078,572	5,719,411	7,045,108
Export	1,518,094	2,537,458	845,650	1,455,479
Export commission	(2,680)	(15,129)	(2,680)	(11,479)
	1,515,414	2,522,329	842,970	1,444,000
	11,851,845	16,600,901	6,562,381	8,489,108

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

For the half year ended December 31, 2024

13. OTHER INCOME / (EXPENSE) - NET

This includes dividend income from subsidiary company amounting to Rs. 735.20 million (December 31, 2023: Rs. 612.60 million).

	(Un-audited)			
	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
----- (Rupees in '000) -----				
14. LEVIES				
Minimum Tax / Final Tax u/s 154	15,154	25,223	8,430	14,440
15. INCOME TAX EXPENSE				
Current	362,715	553,309	103,272	263,590
Prior	5,126	11,861	-	-
Deferred	(60,387)	(116,048)	(30,623)	(84,081)
	<u>307,454</u>	<u>449,122</u>	<u>72,649</u>	<u>179,509</u>

	Note	(Un-audited)	
		Six months ended	
		December 31, 2024	December 31, 2023
----- (Rupees in '000) -----			
16. CASH GENERATED FROM OPERATIONS			
Profit before levies and income tax		710,091	1,339,296
Add/(less): Adjustment for non-cash charges and other items			
Depreciation of property, plant and equipment		312,341	309,238
Amortisation of intangible assets		616	765
(Reversal) / charge of loss allowance on trade debts		(15,104)	49,310
Provision for staff retirement benefits		30,039	36,000
Provision for compensated absences		14,237	8,467
Provision for stores and spares		2,985	21,868
Income on bank deposits		(13,925)	(5,571)
Gain on disposal of property, plant and equipment		(36,335)	(17,055)
Loss on remeasurement of Gas			
Infrastructure Development Cess		-	932
Unwinding of Gas Infrastructure Development Cess		1,811	9,138
Dividend income		(735,167)	(612,639)
Government grant income		(4,911)	(5,336)
Finance cost		345,270	819,553
		<u>611,948</u>	<u>1,953,966</u>
Changes in working capital	16.1	<u>4,379,480</u>	<u>2,598,696</u>
		<u>4,991,428</u>	<u>4,552,662</u>

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

For the half year ended December 31, 2024

		(Un-audited)	
		Six months ended	
Note		December 31, 2024	December 31, 2023
----- (Rupees in '000) -----			
16.1	Working capital changes		
	Decrease /(increase) in current assets:		
	Stores and spares	10,116	(11,849)
	Stock-in-trade	2,169,336	4,311,610
	Trade debts	1,375,726	(1,440,500)
	Advances, trade deposits and prepayments	(37,392)	20,197
	Other receivables	(25,347)	(122,545)
	Sales tax receivable	389,609	672,749
		3,882,048	3,429,662
	(Decrease) / increase in current liabilities:		
	Trade and other payables	574,850	(397,695)
	Contract liabilities	(77,418)	(451,793)
	Sales tax payable	-	18,522
		497,432	(830,966)
		4,379,480	2,598,696
17.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	679,773	417,196
	Running finance under mark-up arrangement from banks	10 (124,869)	(1,033,367)
	Short-term borrowing under Money Market Scheme maturing within three months	10 -	(475,000)
	Short-term borrowing under Running Musharakah maturing within three months	10 (200,829)	(424,425)
		354,075	(1,515,596)

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 half year ended December 31, 2024

		(Un-audited)			
		Six months ended		Three months ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----			
18.1	Transactions with related parties				
	Subsidiary companies				
	Sales	898,612	1,430,656	493,134	623,757
	Purchases	551,077	2,056,381	255,591	1,889,164
	Cost of shared resources	23,985	102,783	4,270	61,326
	Reimbursement of expenses	86,131	95,440	81,169	4,785
	Rental income	6,860	6,382	3,430	3,191
	Dividend received	735,167	612,639	-	-
	Associated companies				
	Sales	3,196	20,396	3,196	-
	Purchases	8,752	8,904	6,105	5,110
	Reimbursement of expenses	22,158	1,556	22,158	1,291
	Dividend received	-	-	-	-
	Dividend paid	2,218	-	2,218	-
	Subscription	-	2,500	-	-
	Registration and training	-	1,467	-	537
	Key management personnel				
	Remuneration and allowances	226,848	198,127	84,222	72,618
	Staff retirement funds				
	Contribution paid	115,078	45,745	85,078	24,161
	Non-executive directors				
	Meeting fee	5,200	3,500	1,500	1,500
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.

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

For the half year ended December 31, 2024

19.1 Segment revenue and results

	Steel segment	Polymer segment	Investments segment	Total
For the half year ended December 31, 2024	----- (Rupees in '000) -----			
Revenue from contracts with customers				
Local	7,770,871	2,565,560	-	10,336,431
Exports	1,515,414	-	-	1,515,414
	<u>9,286,285</u>	<u>2,565,560</u>	-	<u>11,851,845</u>
Cost of sales	<u>(8,810,230)</u>	<u>(1,840,030)</u>	-	<u>(10,650,260)</u>
Gross profit	476,055	725,530	-	1,201,585
Selling and distribution expenses	(554,120)	(85,337)	-	(639,457)
Administrative expenses	(158,116)	(43,682)	-	(201,798)
(Charge) / reversal of loss allowance on trade debts	(18,251)	33,355	-	15,104
	<u>(730,487)</u>	<u>(95,664)</u>	-	<u>(826,151)</u>
Finance cost	(271,948)	(75,133)	-	(347,081)
Other operating income / (expense)	29,133	(38,831)	-	(9,698)
	<u>(242,815)</u>	<u>(113,964)</u>	-	<u>(356,779)</u>
Other income	(43,731)	-	735,167	691,436
(Loss) / profit before levies and income tax	<u>(540,978)</u>	<u>515,902</u>	<u>735,167</u>	710,091
Levies				(15,154)
Income tax expense				(307,454)
Profit after tax for the period				<u>387,483</u>
For the half year ended December 31, 2023				
Revenue from contracts with customers				
Local	11,108,202	2,970,370	-	14,078,572
Exports	2,522,329	-	-	2,522,329
	<u>13,630,531</u>	<u>2,970,370</u>	-	<u>16,600,901</u>
Cost of sales	<u>(12,140,701)</u>	<u>(1,920,753)</u>	-	<u>(14,061,454)</u>
Gross profit	1,489,830	1,049,617	-	2,539,447
Selling and distribution expenses	(578,764)	(62,881)	-	(641,645)
Administrative expenses	(183,692)	(16,869)	-	(200,561)
Charge of loss allowance on trade debts	(8,504)	(40,806)	-	(49,310)
	<u>(770,960)</u>	<u>(120,556)</u>	-	<u>(891,516)</u>
Finance cost	(680,415)	(148,276)	-	(828,691)
Other operating expense	(8,031)	(54,655)	-	(62,686)
	<u>(688,446)</u>	<u>(202,931)</u>	-	<u>(891,377)</u>
Other income	(29,897)	-	612,639	582,742
Profit before levies and income tax	<u>527</u>	<u>726,130</u>	<u>612,639</u>	1,339,296
Levies				(25,223)
Income tax expense				(449,122)
Profit after tax for the period				<u>864,951</u>

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

For the half year ended December 31, 2024

19.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
As at December 31, 2024 - Un-audited				
Segment assets	<u>18,991,165</u>	<u>4,805,858</u>	<u>3,420,965</u>	<u>27,217,988</u>
Segment liabilities	<u>6,015,508</u>	<u>694,804</u>	<u>-</u>	<u>6,710,312</u>
As at June 30, 2024 - Audited				
Segment assets	<u>23,716,798</u>	<u>3,270,430</u>	<u>3,372,515</u>	<u>30,359,743</u>
Segment liabilities	<u>9,774,363</u>	<u>317,109</u>	<u>-</u>	<u>10,091,472</u>

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

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- (Rupees in '000) -----	
Total for reportable segments assets	<u>27,217,988</u>	30,359,743
Unallocated assets	<u>827,620</u>	1,277,911
Total assets as per Unconsolidated Statement of Financial Position	<u>28,045,608</u>	<u>31,637,654</u>
Total for reportable segments liabilities	<u>6,710,312</u>	10,091,472
Unallocated liabilities	<u>2,981,726</u>	3,118,508
Total liabilities as per Unconsolidated Statement of Financial Position	<u>9,692,038</u>	<u>13,209,980</u>

20. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on January 30, 2025 have declared an interim cash dividend of Rs. NIL (December 31, 2023: Rs. 2.00) per share for the year ending June 30, 2025 amounting to Rs. NIL (December 31, 2023: Rs. 263.76 million). The unconsolidated condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

21. DATE OF AUTHORISATION FOR ISSUE

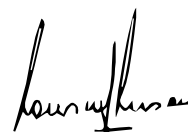
These unconsolidated condensed interim financial statements were approved and authorised for issue on January 30, 2025 by the Board of Directors of the Company.



Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

CONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	31,750,371	32,253,795
Right-of-use assets		25,592	13,049
Intangible assets		463,805	410,437
Investment in equity accounted investee	6	1,933,996	1,909,524
Long-term deposits		7,744	6,477
		<u>34,181,508</u>	<u>34,593,282</u>
CURRENT ASSETS			
Stores and spares		1,141,366	1,097,458
Stock-in-trade	7	22,416,918	28,975,670
Trade debts		2,979,000	4,612,850
Advances, trade deposits and prepayments		293,436	215,406
Other receivables		107,081	72,453
Sales tax receivable		-	976,338
Short-term Investments		4,951,136	-
Cash and bank balances		7,408,372	4,123,574
		<u>39,297,309</u>	<u>40,073,749</u>
TOTAL ASSETS		<u>73,478,817</u>	<u>74,667,031</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		3,278,085	3,222,432
Unappropriated profit		15,536,367	16,049,218
Exchange translation reserves		78,743	80,657
Capital reserve			
Revaluation surplus on property, plant and equipment		9,013,682	9,061,218
TOTAL SHAREHOLDERS' EQUITY		<u>29,225,696</u>	<u>29,732,344</u>
Non-controlling interest		9,793,044	10,130,169
		<u>39,018,740</u>	<u>39,862,513</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	8	3,363,881	4,121,675
Deferred income - government grant		111,109	128,279
Staff retirement benefits		57,202	18,142
Deferred taxation - net		1,715,636	2,048,859
Lease liabilities		17,059	4,415
		<u>5,264,887</u>	<u>6,321,371</u>
CURRENT LIABILITIES			
Trade and other payables	9	14,864,682	15,514,957
Contract liabilities		2,355,875	2,467,336
Short-term borrowings - secured	10	10,887,610	8,646,336
Unclaimed dividend		41,904	41,275
Unpaid dividend attributable to non-controlling interest (NCI)		-	430
Unclaimed dividend attributable to non-controlling interest (NCI)		6,677	7,079
Current portion of long-term financing - secured	8	403,835	960,047
Current portion of lease liabilities		12,328	11,299
Taxation - net		82,486	430,854
Sales tax payable		443,771	-
Accrued mark-up		96,022	403,534
		<u>29,195,190</u>	<u>28,483,147</u>
TOTAL LIABILITIES		<u>34,460,077</u>	<u>34,804,518</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	11	<u>73,478,817</u>	<u>74,667,031</u>

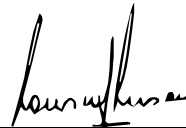
The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Borad Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

	Note	Six months ended		Three months ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
----- (Rupees in '000) -----					
Revenue from contracts with customers	12	43,704,110	54,337,907	24,825,333	27,184,769
Cost of sales		(39,878,587)	(46,506,334)	(22,589,612)	(22,936,554)
Gross profit		3,825,523	7,831,573	2,235,721	4,248,215
Selling and distribution expenses		(1,640,300)	(1,682,587)	(841,978)	(964,465)
Administrative expenses		(455,532)	(479,494)	(231,167)	(254,450)
Reversal / (charge) of loss allowance on trade debts		14,901	(49,055)	14,310	(14,821)
		(2,080,931)	(2,211,136)	(1,058,835)	(1,233,736)
Operating profit		1,744,592	5,620,437	1,176,886	3,014,479
Finance cost		(907,525)	(1,202,843)	(373,017)	(523,104)
Other operating charges		(95,619)	(461,210)	(33,990)	(301,165)
		(1,003,144)	(1,664,053)	(407,007)	(824,269)
Other income / (loss)		117,893	105,483	(141,834)	11,858
Share of (loss) / profit in equity accounted investee		(32,628)	58,081	(24,779)	23,344
Profit before levies and income tax		826,713	4,119,948	603,266	2,225,412
Levies	13	(15,484)	(150,272)	(8,760)	(88,887)
Profit before income tax		811,229	3,969,676	594,506	2,136,525
Income tax expense	14	(579,506)	(1,495,230)	(312,841)	(563,401)
Profit after tax for the period		231,723	2,474,446	281,665	1,573,124
(Loss) / profit attributable to:					
- Owners of the Holding Company		(985)	1,419,356	127,077	1,068,426
- Non-controlling interest (NCI)		232,708	1,055,090	154,588	504,698
		231,723	2,474,446	281,665	1,573,124
----- (Rupees) -----					
(Loss) / earnings per share - basic and diluted		(0.01)	10.76	0.96	8.10

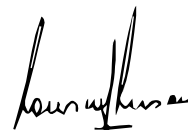
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Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
----- (Rupees in '000) -----				
Profit after tax for the period	231,723	2,474,446	281,665	1,573,124
Other comprehensive income				
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss				
Remeasurements of staff retirement benefits				
- Adjustment related to opening deferred tax balance	-	1,811	-	(1,669)
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance on buildings	-	(63,556)	-	6,078
Proportionate share of surplus on revaluation of land and buildings of equity accounted investee	9,448	(23,360)	-	(23,360)
Related deferred tax for the period	(2,362)	5,840	-	5,840
	7,086	(17,520)	-	(17,520)
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss				
Foreign operations - foreign currency translation difference	(1,914)	3,507	(8,555)	8,294
Proportionate share of other comprehensive income of equity accounted investee	(44,326)	(2,240)	(57,849)	61
Other comprehensive (loss) / income for the period	(39,154)	(77,998)	(66,404)	(4,756)
Total comprehensive income for the period	<u>192,569</u>	<u>2,396,448</u>	<u>215,261</u>	<u>1,568,368</u>
Total comprehensive (loss) / income attributable to:				
- Owners of the Holding Company	(40,139)	1,341,358	60,674	1,063,670
- Non-controlling interest (NCI)	232,708	1,055,090	154,587	504,698
	<u>192,569</u>	<u>2,396,448</u>	<u>215,261</u>	<u>1,568,368</u>

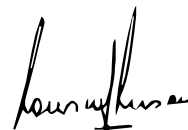
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Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

	Attributable to owners of the Holding Company							Total	Non-controlling interest	Total equity
	Issued, subscribed and paid-up capital	Revenue reserves		Total revenue reserves	Capital reserve		Total capital reserves			
		General reserve	Unappropriated profit		Revaluation surplus on property, plant and equipment	Exchange translation reserves				
	(Rupees in '000)									
Balance as at July 1, 2023	1,318,819	3,112,325	14,275,645	17,387,970	7,068,935	83,445	7,152,380	25,859,169	9,406,738	35,265,907
Profit after tax for the period	-	-	1,419,356	1,419,356	-	-	-	1,419,356	1,055,090	2,474,446
Other comprehensive income / (loss) for the period	-	-	5,411	5,411	(86,916)	3,507	(83,409)	(77,998)	-	(77,998)
Total comprehensive income / (loss) for the period	-	-	1,424,767	1,424,767	(86,916)	3,507	(83,409)	1,341,358	1,055,090	2,396,448
Proportionate share of transfer to general reserves of equity accounted investee	-	110,107	(110,107)	-	-	-	-	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	63,290	63,290	(63,290)	-	(63,290)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	1,306	1,306	(1,552)	-	(1,552)	(246)	-	(246)
Transactions with owners recorded directly in equity										
Distributions to owners of Holding Company - Final dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	(263,764)	-	-	-	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(474,861)	(474,861)
Balance as at December 31, 2023	<u>1,318,819</u>	<u>3,222,432</u>	<u>15,391,137</u>	<u>18,613,569</u>	<u>6,917,177</u>	<u>86,952</u>	<u>7,004,129</u>	<u>26,936,517</u>	<u>9,986,967</u>	<u>36,923,484</u>
Balance as at July 1, 2024	1,318,819	3,222,432	16,049,218	19,271,650	9,061,218	80,657	9,141,875	29,732,344	10,130,169	39,862,513
Profit after tax for the period	-	-	(985)	(985)	-	-	-	(985)	232,708	231,723
Other comprehensive income / (loss) for the period	-	-	(46,688)	(46,688)	9,448	(1,914)	7,534	(39,154)	-	(39,154)
Total comprehensive income / (loss) for the period	-	-	(47,673)	(47,673)	9,448	(1,914)	7,534	(40,139)	232,708	192,569
Proportionate share of transfer to general reserves of equity accounted investee	-	55,653	(55,653)	-	-	-	-	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	56,072	56,072	(56,072)	-	(56,072)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	(4,010)	(4,010)	(912)	-	(912)	(4,922)	-	(4,922)
Transactions with owners recorded directly in equity										
Distributions to owners of Holding Company - Final dividend @ 35% (Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	(461,587)	-	-	-	(461,587)	-	(461,587)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(569,833)	(569,833)
Balance as at December 31, 2024	<u>1,318,819</u>	<u>3,278,085</u>	<u>15,536,367</u>	<u>18,814,452</u>	<u>9,013,682</u>	<u>78,743</u>	<u>9,092,425</u>	<u>29,225,696</u>	<u>9,793,044</u>	<u>39,018,740</u>

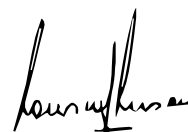
The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Borad Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

Six months ended

Note	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	15	11,582,603	10,257,937
Finance cost paid		(1,189,153)	(1,267,392)
Income on bank deposits received		198,150	201,091
Staff retirement benefits paid		(46,501)	(33,228)
Payment on account of compensated absences		(36,631)	(16,371)
Income tax paid - net		(1,278,943)	(1,669,722)
Increase in long-term deposit		(3,162)	-
Net cash generated from operating activities		9,226,363	7,472,315

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for acquisition of property, plant and equipment		(799,047)	(1,173,471)
Payment for investment in associate company		(96,900)	-
Payment for acquisition of intangible assets		(54,777)	(75,143)
Proceeds from disposal of property, plant and equipment		106,355	78,977
Investment in PIBs		(4,951,136)	-
Investments in Term Deposit Receipt		250,000	(20,000)
Net cash used in investing activities		(5,545,505)	(1,189,637)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term financing		(1,310,843)	(688,899)
Proceeds / (repayments) from short-term borrowings - net		3,922,758	(1,069,060)
Lease rentals paid		8,468	(8,783)
Dividends paid to non-controlling interest		(570,263)	(475,836)
Dividends paid to shareholders of the Holding Company		(460,958)	(269,741)
Net cash generated from / (used in) financing activities		1,589,162	(2,512,319)
Net increase in cash and cash equivalents		5,270,020	3,770,359
Cash and cash equivalents at beginning of the period		1,380,081	(3,133,005)
Effects of exchange rate changes in cash and cash equivalents		(51,969)	13,210
Cash and cash equivalents at end of the period	16	6,598,132	650,564

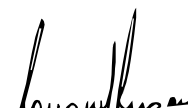
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Jehangir Shah
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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

For the half year ended December 31, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of International Industries Limited (the Holding Company), its 56.33% owned subsidiary International Steels Limited (ISL), its wholly owned subsidiary IIL Trading (Private) Limited (formerly IIL Construction Solutions (Pvt.) Limited) and its wholly owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia) and IIL Americas Inc. (IIL Americas) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% and 17.00% interest in an equity accounted investees namely Pakistan Cables Limited (PCL) and Chinoy Engineering & Construction (Private) Limited (CECL) respectively.

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

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

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

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

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Office no. 708-A, The United Mall, Plot No. 74, Abdali Road, Multan.
- iii) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- iv) Plot no. 9, Street no. 01, Ibrahim Tower, Business Park, Gulberg Green, Islamabad.
- v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

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

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

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

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

For the half year ended December 31, 2024

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** ILL Trading (Private) Limited (formerly ILL Construction Solutions (Pvt.) Limited) 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 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi 75530. Its sales offices are situated at 101 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi-75530 and Chinoy House, 6 Bank Square, Lahore. The manufacturing facility of ILL Trading is located at LX 15 - 16, Landhi Industrial Area, Karachi.
- 1.5** ILL Australia was incorporated in Australia on May 2, 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes, pre-galvanized pipes, stainless steel tubes and galvanized steel sheets and coils. Its registered office and sales office is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia.
- 1.6** ILL 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.

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

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

For the half year ended December 31, 2024

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

2.4.2 Transactions and non-controlling interests

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.2 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

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

For the half year ended December 31, 2024

	Operating assets	Capital work- in-progress (including capital spares)	Total
5. PROPERTY, PLANT AND EQUIPMENT	----- (Rupees in '000) -----		
Cost / revalued amount			
Balance at beginning of the period	44,863,930	1,733,973	46,597,903
Additions	1,806	790,059	791,865
Translation reserve	(127)	-	(127)
Adjustments / transfers - net	640,217	(592,908)	47,309
Disposals	(167,502)	-	(167,502)
	<u>45,338,324</u>	<u>1,931,124</u>	<u>47,269,448</u>
Accumulated depreciation			
Balance at beginning of the period	(14,344,108)	-	(14,344,108)
Charge for the period	(1,302,257)	-	(1,302,257)
Disposals	127,288	-	127,288
	<u>(15,519,077)</u>	<u>-</u>	<u>(15,519,077)</u>
Written down value as at December 31, 2024 (Un-audited)	<u>29,819,247</u>	<u>1,931,124</u>	<u>31,750,371</u>
Written down value as at June 30, 2024 (Audited)	<u>30,519,822</u>	<u>1,733,973</u>	<u>32,253,795</u>
		(Un-audited)	(Audited)
	Note	December 31, 2024	June 30, 2024
6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE	----- (Rupees in '000) -----		
Pakistan Cables Limited (PCL) - associated company	6.1	<u>1,839,453</u>	<u>1,909,524</u>
Chinoy Engineering & Construction (Pvt.) Limited - associated company		<u>94,543</u>	<u>-</u>
6.1	The Holding Company holds a 17.124% (June 30, 2024: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the companies have common directorships. The price per share of PCL as at reporting date was Rs. 181.39 (June 30, 2024: Rs. 155.172) resulting in a market value of total investment amounting to Rs. 1,691.54 million (June 30, 2024: Rs. 1,182 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at September 30, 2024 as the latest financial statements as at December 31, 2024 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 half year ended December 31, 2024

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
7. STOCK-IN-TRADE			
----- (Rupees in '000) -----			
Raw material			
- in hand	7.1	7,783,949	8,352,320
- in transit		5,743,946	5,588,819
		<u>13,527,895</u>	<u>13,941,139</u>
Work-in-process		1,941,409	2,557,557
Finished goods		6,574,980	11,659,195
- in hand		220,369	532,703
- in transit			
By-products		76,501	37,378
Scrap material		75,764	247,698
		<u>22,416,918</u>	<u>28,975,670</u>
7.1	Raw material of the Holding Company amounting to Rs. 2.6 million as at December 31, 2024 (June 30, 2024: Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.		
----- (Rupees in '000) -----			
8. LONG-TERM FINANCING - secured			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	8.2	604,182	793,095
Long-Term Finance		-	145,455
Renewable Energy Financing Facility (REFF)		150,000	150,000
Temporary Economic Refinance Facility (TERF)	8.3	400,565	431,377
		<u>1,154,747</u>	<u>1,519,927</u>
ISLAMIC			
Diminishing Musharakah		2,100,000	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	8.4	372,665	413,701
Islamic Temporary Economic Refinance Facility (ITERF)	8.5	215,745	226,858
Islamic Finance Facility for Renewabale Energy (IFRE)	8.6	71,111	75,556
		<u>2,759,521</u>	<u>3,727,479</u>
		<u>3,914,268</u>	<u>5,247,406</u>
Less: Deferred income - government grant		(146,552)	(165,684)
Less: Current portion of long-term financing:			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)		(209,036)	(327,789)
Long-Term Finance		-	(145,455)
Renewable Energy Financing Facility (REFF)		(18,750)	-
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
		<u>(289,411)</u>	<u>(534,869)</u>
ISLAMIC			
Diminishing Musharakah		-	(311,364)
Islamic Long-Term Finance Facility (ILTFF)		(75,516)	(78,795)
Islamic Temporary Economic Refinance Facility (ITERF)		(30,019)	(26,130)
Islamic Finance Facility for Renewabale Energy (IFRE)		(8,889)	(8,889)
		<u>(403,835)</u>	<u>(960,047)</u>
		<u>3,363,881</u>	<u>4,121,675</u>

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

For the half year ended December 31, 2024

- 8.1** The above loans are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi and Survey number 402, 405 - 406, 95 Rehri Road, Landhi Town, Karachi of the Holding Company and by way of joint pari passu charge and ranking charge over the fixed assets of ISL (such as land, building, plant and machinery etc.).
- 8.1.1** In relation to the above borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreements with various lenders which are complied with as of the reporting date.
- 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 finance facility loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.
- 8.6** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
9. TRADE AND OTHER PAYABLES		----- (Rupees in '000) -----	
Trade creditors		5,374,687	5,722,042
Bills payable		350,287	148,027
Accrued expenses	9.1	3,127,941	3,812,873
Provision for Infrastructure Cess	9.2	5,602,382	5,114,316
Provision for government levies		5,727	4,717
Short-term compensated absences		9,858	27,751
Workers' Profit Participation Fund		44,436	252,582
Workers' Welfare Fund	9.3	236,542	326,500
Current portion of deferred income - government grant		35,443	37,405
Others		77,379	68,744
		<u>14,864,682</u>	<u>15,514,957</u>

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

For the half year ended December 31, 2024

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

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

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

- 9.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC) passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 5,720 million (June 30, 2024: Rs. 5,370 million) have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh Infrastructure Cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute has been linked with the previous infrastructure cess case.

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

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

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

- 9.3** The Holding Company 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.

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

For the half year ended December 31, 2024

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
10. SHORT-TERM BORROWINGS - secured		----- (Rupees in '000) -----	
CONVENTIONAL			
Running finance under mark-up arrangement from banks	10.1	125,411	489,808
Short-term borrowing under Money Market Scheme maturing within three months	10.1	-	300,000
Short-term borrowing under Export Refinance Scheme	10.2	4,650,000	4,650,000
Short-term borrowing under Export Finance Scheme	10.3	594,208	662,889
Short-term borrowing under FE-25 import	10.4	3,435,999	1,223,955
ISLAMIC			
Short-term borrowing under Money Market Scheme maturing within three months		-	1,000,000
Short-term borrowing under Running Musharakah maturing within three months	10.5	200,829	219,684
Short-term borrowing under Export Refinance Scheme		300,000	100,000
Short-term borrowing under FE-25 import	10.6	1,581,163	-
		<u>10,887,610</u>	<u>8,646,336</u>

10.1 These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 15.13% to 21.33% (June 30, 2024: 20.24% to 22.52%) per annum. The rates of mark-up on these finances obtained by ISL is NIL (June 30, 2024: 22.09% to 22.52%) per annum.

10.2 The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities obtained by Holding Company range from 10.00% to 16.50% (June 30, 2024: 17.50%) per annum. The rates of mark-up on these facilities obtained by ISL range from 9.75% to 10.00% (June 30, 2024: 17.25% to 17.50%) per annum. These facilities mature within six months and are renewable.

10.3 The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.00% to 3.00% (June 30, 2024: 2.00% to 2.50%) per annum. These facilities mature within six months.

10.4 The Holding Company and ISL have obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities obtained by the Holding Company range from 5.75% to 10.25% (June 30, 2024: 7.50% to 10.25%) per annum. The rates of mark-up on these facilities obtained by ISL range from 5.40% to 6.00% (June 30, 2024: NIL)

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

For the half year ended December 31, 2024

- 10.5** 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 16.19% to 22.29% (June 30, 2024: 20.30% to 22.29%) per annum. The rates of profit on these finances obtained by ISL is NIL (June 30, 2024: 21.99% to 22.43%) per annum.
- 10.6** The Holding Company and ISL have obtained facilities for short-term finance under FE-25 Import finance. The rates of profit on these facilities obtained by Holding Company range from 7.50% to 8.00% (June 30, 2024: NIL) per annum. The rate of profit on these facilities obtained by ISL is 7.25% (June 30, 2024: NIL) per annum.
- 10.7** As at December 31, 2024, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 13,563 million (June 30, 2024: Rs. 12,938 million) and for ISL amounted to Rs. 18,415 million (June 30, 2024: Rs. 23,289 million).
- 10.8** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

11.2 Commitments

Holding Company and ISL

- 11.2.1** Capital expenditure commitments outstanding as at December 31, 2024 amounted to Rs. 0.90 million (June 30, 2024: Rs. 6.86 million).
- 11.2.2** Commitments under letters of credit for raw materials and stores and spares as at December 31, 2024 amounted to Rs. 12,357.62 million (June 30, 2024: Rs. 12,991.20 million).
- 11.2.3** Facilities for opening letters of credit and guarantees from banks as at December 31, 2024 amounted to Rs. 55,200 million (June 30, 2024: Rs. 55,700 million) and Rs. 13,984 million (June 30, 2024: Rs. 13,984 million) respectively, of which the unutilised balance at period-end amounted to Rs. 42,842 million (June 30, 2024: Rs. 42,702 million) and Rs. 1,664 million (June 30, 2024: Rs. 1,903 million) respectively.

Holding Company

- 11.2.4** Commitments under purchase contracts as at December 31, 2024 amounted to Rs. 187.78 million (June 30, 2024: Rs. 17.53 million).

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

For the half year ended December 31, 2024

		(Un-audited)			
		Six months ended		Three months ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----			
12.	REVENUE FROM CONTRACTS WITH CUSTOMERS				
	Sale of goods less returns				
	Local	44,812,840	52,699,591	25,200,313	25,042,171
	Sales tax	(6,491,049)	(7,917,091)	(3,621,729)	(3,777,845)
	Trade discounts	(1,650,029)	(2,003,049)	(841,410)	(822,692)
		<u>36,671,762</u>	<u>42,779,451</u>	<u>20,737,174</u>	<u>20,441,634</u>
	Export	<u>7,375,580</u>	<u>11,573,585</u>	<u>4,431,391</u>	<u>6,754,614</u>
	Export commission & discounts	<u>(343,232)</u>	<u>(15,129)</u>	<u>(343,232)</u>	<u>(11,479)</u>
		<u>7,032,348</u>	<u>11,558,456</u>	<u>4,088,159</u>	<u>6,743,135</u>
		<u>43,704,110</u>	<u>54,337,907</u>	<u>24,825,333</u>	<u>27,184,769</u>
13.	LEVIES				
	Minimum Tax / Final Tax u/s 154	15,484	150,272	8,760	88,887
14.	INCOME TAX EXPENSE				
	Current	909,978	1,664,707	607,673	842,413
	Prior	5,126	(27,940)	-	(39,801)
	Deferred	(335,598)	(141,537)	(294,832)	(239,211)
		<u>579,506</u>	<u>1,495,230</u>	<u>312,841</u>	<u>563,401</u>

		(Un-audited)	
		Six months ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
15.	CASH GENERATED FROM OPERATIONS		
	Profit before income tax	826,713	4,119,948
	Add / (less): adjustments for non-cash charges and other items		
	Depreciation of property, plant and equipment	1,314,498	1,270,850
	Depreciation of right-of-use assets	5,399	5,399
	Amortisation of intangible assets	616	765
	(Reversal) / charge of loss allowance on trade debts	(14,901)	49,055
	Provision for obsolescence against stores and spares	4,746	42,802
	Provision for staff retirement benefits	47,192	55,228
	Provision for compensated absences	18,737	12,967
	Income on bank deposits	(198,150)	(201,091)
	Gain on disposal of property, plant and equipment	(66,141)	(19,092)
	Loss on remeasurement of Gas Infrastructure Development Cess	-	7,090
	Share of loss / (profit) from associated company	32,628	(58,081)
	Government grant income	(12,064)	(19,721)
	Unwinding of Gas Infrastructure Development Cess	8,614	41,304
	Finance cost	<u>898,910</u>	<u>1,161,539</u>
		<u>2,866,797</u>	<u>6,468,962</u>
	Changes in working capital	15.1 <u>8,715,806</u>	<u>3,788,975</u>
		<u>11,582,603</u>	<u>10,257,937</u>

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

For the half year ended December 31, 2024

Note	(Un-audited) Six months ended	
	December 31, 2024	December 31, 2023
----- (Rupees in '000) -----		
15.1	Changes in working capital	
	(Increase) / decrease in current assets:	
	Stores and spares	75,123
	Stock-in-trade	3,019,681
	Trade debts	(1,459,945)
	Advances, trade deposits and prepayments	(112,078)
	Other receivables	12,632
	Sale tax receivable	800,751
	9,022,529	2,336,164
	(Decrease) / increase in current liabilities:	
	Trade and other payables	1,648,482
	Sales tax payable	29,421
	Contract liabilities	(225,092)
	8,715,806	3,788,975
16.	CASH AND CASH EQUIVALENTS	
	Cash and bank balances	2,583,356
	Running finance under mark-up arrangement from banks	(1,033,367)
	Short-term borrowing under Money Market scheme maturing within three months	(475,000)
	Short-term borrowing under Running Musharakah maturing within three months	(424,425)
	(200,829)	(424,425)
	6,598,132	650,564

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

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

For the half year ended December 31, 2024

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:

	(Un-audited)			
	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
----- (Rupees in '000) -----				
Associated companies				
Sales	216,225	2,721,139	25,705	2,033,313
Purchases	18,280,844	24,226,256	4,400,814	15,489,979
Reimbursement of expenses	34,391	11,082	34,391	2,082
Rent income	1,590	1,458	795	729
Dividend received	-	1,267	-	-
Dividend paid	120,651	98,694	2,218	-
Registration and training	-	1,467	-	537
Subscription	-	2,500	-	-
Services / Donations	8,499	722	3,172	36
Key management personnel				
Remuneration and allowances	459,188	415,132	193,874	179,778
Staff retirement funds				
Contribution paid	153,051	85,979	103,450	44,285
Non-executive directors				
Directors' fee	8,900	7,300	8,900	2,800

18. SEGMENT REPORTING

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

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

For the half year ended December 31, 2024

	Steel coils & sheets	Steel pipes	Polymer pipes	Investment	Total
18.1 Segment revenue and results	----- (Rupees in '000) -----				
For the six months ended December 31, 2024					
Revenue from contracts with customers					
Local	26,410,279	7,695,923	2,565,560	-	36,671,762
Exports	4,689,561	2,342,787	-	-	7,032,348
	<u>31,099,840</u>	<u>10,038,710</u>	<u>2,565,560</u>	<u>-</u>	<u>43,704,110</u>
Cost of sales	<u>(28,720,011)</u>	<u>(9,318,545)</u>	<u>(1,840,030)</u>	<u>-</u>	<u>(39,878,587)</u>
Gross profit	2,379,829	720,165	725,530	-	3,825,523
Selling and distribution expenses	(822,581)	(732,382)	(85,337)	-	(1,640,300)
Administrative expenses	(229,832)	(182,018)	(43,682)	-	(455,532)
(Charge) / reversal of loss allowance on trade debts	-	(18,454)	33,355	-	14,901
	<u>(1,052,413)</u>	<u>(932,854)</u>	<u>(95,664)</u>	<u>-</u>	<u>(2,080,931)</u>
Finance cost	(558,383)	(274,009)	(75,133)	-	(907,525)
Other operating charges	(85,708)	28,920	(38,831)	-	(95,619)
	<u>(644,091)</u>	<u>(245,089)</u>	<u>(113,964)</u>	<u>-</u>	<u>(1,003,144)</u>
Other income	142,131	(24,238)	-	-	117,893
Share of loss in equity accounted investee	-	-	-	(32,628)	(32,628)
Profit / (loss) before levies and income tax	<u>825,456</u>	<u>(482,016)</u>	<u>515,902</u>	<u>(32,628)</u>	<u>826,713</u>
Levies					(15,484)
Income tax expense					(579,506)
Profit after tax for the period					<u>231,723</u>
For the six months ended December 31, 2023					
Revenue from contracts with customers					
Local	28,697,828	11,111,253	2,970,370	-	42,779,451
Exports	8,851,572	2,706,884	-	-	11,558,456
	<u>37,549,400</u>	<u>13,818,137</u>	<u>2,970,370</u>	<u>-</u>	<u>54,337,907</u>
Cost of sales	<u>(32,131,688)</u>	<u>(12,453,893)</u>	<u>(1,920,753)</u>	<u>-</u>	<u>(46,506,334)</u>
Gross profit	5,417,712	1,364,244	1,049,617	-	7,831,573
Selling and distribution expenses	(941,675)	(678,031)	(62,881)	-	(1,682,587)
Administrative expenses	(235,962)	(226,663)	(16,869)	-	(479,494)
Charge of loss allowance on trade debts	-	(8,249)	(40,806)	-	(49,055)
	<u>(1,177,637)</u>	<u>(912,943)</u>	<u>(120,556)</u>	<u>-</u>	<u>(2,211,136)</u>
Finance cost	(369,720)	(684,847)	(148,276)	-	(1,202,843)
Other operating charges	(398,524)	(8,031)	(54,655)	-	(461,210)
	<u>(768,244)</u>	<u>(692,878)</u>	<u>(202,931)</u>	<u>-</u>	<u>(1,664,053)</u>
Other income	143,651	(38,168)	-	-	105,483
Share of profit in equity accounted investee	-	-	-	58,081	58,081
Profit / (loss) before levies and income tax	<u>3,615,482</u>	<u>(279,745)</u>	<u>726,130</u>	<u>58,081</u>	<u>4,119,948</u>
Levies					(150,272)
Income tax expense					(1,495,230)
Profit after tax for the period					<u>2,474,446</u>

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

For the half year ended December 31, 2024

	Steel coils & sheets	Steel pipes	Polymer pipes	Investments	Total
18.2 Segment assets and liabilities	----- (Rupees in '000) -----				
As at December 31, 2024 - Un-audited					
Segment assets	<u>47,135,015</u>	<u>18,935,220</u>	<u>4,805,858</u>	<u>1,933,996</u>	<u>72,810,089</u>
Segment liabilities	<u>24,706,868</u>	<u>5,932,275</u>	<u>694,804</u>	<u>-</u>	<u>31,333,947</u>
As at June 30, 2024 - Audited					
Segment assets	<u>44,092,433</u>	<u>24,152,231</u>	<u>3,270,430</u>	<u>1,909,524</u>	<u>73,424,617</u>
Segment liabilities	<u>20,892,214</u>	<u>10,239,207</u>	<u>317,109</u>	<u>-</u>	<u>31,448,530</u>

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

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- (Rupees in '000) -----	
Total for reportable segments assets	<u>72,810,089</u>	73,424,617
Unallocated assets	<u>668,728</u>	1,242,414
Total assets as per Consolidated Condensed Interim Statement of Financial Position	<u>73,478,817</u>	<u>74,667,031</u>
Total for reportable segments liabilities	<u>31,333,947</u>	31,448,530
Unallocated liabilities	<u>3,126,130</u>	3,355,988
Total liabilities as per Consolidated Condensed Interim Statement of Financial Position	<u>34,460,077</u>	<u>34,804,518</u>

19. CORRESPONDING FIGURES

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

20. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company, in their meeting held on January 30, 2025, has declared an interim cash dividend of Rs. NIL (December 31, 2023: Rs. 2.00) per share for the year ending June 30, 2025 amounting to Rs. NIL (December 31, 2023: Rs. 263.76 million). The unconsolidated condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

The Board of Directors of ISL in their meeting held on January 29, 2025 has declared an interim cash dividend of Rs. NIL (December 31, 2023: Rs. 2.50) per share for the year ending June 30, 2025 amounting to Rs. NIL (December 31, 2023: Rs. 1,087.5 million). The condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

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

For the half year ended December 31, 2024

21. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue on January 30, 2025 by the Board of Directors of the Holding Company.




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Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer



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