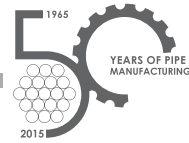


In the name of Allah, most Gracious, most Merciful.
This is by the Grace of Allah.

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Company Information



Chairman

Mr. Zaffar A. Khan
Independent Chairman

Chief Executive Officer

Mr. Riyaz T. Chinoy
Executive Director

Directors

Mr. Mustapha A. Chinoy
Non-Executive Director
Mr. Kamal A. Chinoy
Non-Executive Director
Mr. Fuad Azim Hashimi
Non-Executive Director
Mr. Azam Faruque
Independent Director
Mr. Tariq Ikram
Independent Director
Mr. Aly Noormahomed Rattansey
Independent Director
Ms. Nargis Ghaloo
Non-Executive Director

Chief Financial Officer

Mr. Nadir Akbarali Jamal

Company Secretary

Mr. Yasir Ali Quraishi

Chief Internal Auditor

Mr. Haseeb Hafeezuddeen

External Auditors

M/s KPMG Taseer Hadi & Co.

Internal Auditors

Ernst & Young Ford Rhodes Sidat Hyder & Co.

Bankers

Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
NIB Bank Ltd.
Samba Bank Ltd.
Soneri Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
United Bank Ltd.

Legal Advisors

Mrs. Sana Shaikh Fikree

Registered Office

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

Lahore Office

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

Islamabad Office

Office No. 2, First Floor,
Ahmed Centre,
I-8 Markaz, Islamabad
Telephone Nos: +9251-4864601-2

Peshawar Office

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

Factories

Factory 1

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

Factory 2

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

Factory 3

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

Website

www.iil.com.pk

Investors Contact

Shares Registrar

Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block "B", S.M.C.H.S,
Shahrah-e-Faisal, Karachi.
Telephone No: +9221-111-111-500
FAX: +9221-34326053
E-mail : info@cdcpak.com

Assistant Company Secretary

Mr. M. Irfan Bhatti
101 Beaumont Plaza,
10 Beaumont Road, Karachi.
Telephone No: +9221-111-019-019
Fax: +9221-35680373
E-mail : irfan.bhatti@iil.com.pk

Directors' Report

The Directors of your Company are pleased to present the condensed interim financial information for the nine month period ended March 31, 2016.

In terms of value, the Company's gross sales turnover of Rs. 11bn was 13% lower than the same period last year, whereas in terms of volume, the turnover was 6% lower than the same period last year. The main reason for this decline was slow down in export sales due to initiation of Countervailing Duty (CVD) and anti-dumping proceedings in one of our major export markets. Although a preliminary determination of CVD has been made against the company, there is no financial exposure for IIL and the company is defending its position in these proceedings and is hopeful that the said determination will be overturned at the stage of final determination by the International Trade Commission (ITC). Domestic Sales of Steel were 1% higher than same period last year.

The Plastics Division has performed very well during the first nine months of the current year. The sale of Plastics was 101% higher than same period last year in terms of value and 102% higher in terms of tonnage. As a result, the Plastics Division posted a gross profit of Rs. 184m as compared to Rs. 45m during the same period last year.

International steel prices have been continuously declining since October 2014 till about January, 2016. However since February, 2016, steel prices have firmed up and have shown an upward trend. Despite this fluctuation, your Company achieved a gross margin of 14.67% as compared to 8.73% for the same period last year.

Profit after Tax is Rs. 466mn as compared to Rs. 413mn last year. Last Year's profit figure included an amount of Rs. 245mn on account of Dividend from ISL, bringing the operational profit to Rs.168mn. For the current year to date the Company was able to post 177% increase in net operational profit as compared to same period of last year in spite of loss of Rs.72mn suffered on account of devaluation of the Pakistani Rupee. This profit translates into earnings per share of Rs. 3.89 per share.

International Steels Limited (ISL) successfully commissioned its second Galvanizing Plant and completed the upgrade of its Rolling mill during the first nine month of the current fiscal year, doubling its capacity to 500,000 tons per annum. As a result of this upgrade, ISL registered sales volume of 273,000 metric tons same period last year 171,000 metric tons) - with corresponding gross sales turnover of Rs.14.8bn compared to Rs. 12.8bn same period last year. ISL's Profit after Tax for the nine month was Rs. 347mn compared to a Loss after Tax of Rs. 1mn for the same period last year.

The Company's other subsidiaries, IIL Australia (Pty) Ltd. and IIL Stainless Steel Private Limited posted sales turnover of Rs.223mn and Rs.109mn respectively. Both entities posted losses of Rs.7.9mn and Rs.20mn respectively during the period under review as the required volumes to break even were not achieved. IIL Australia (Pty) Ltd. volumes have shown significant improvement and is expected to close the year very close to the break even point.

The Group P&L shows a Profit after Taxation of Rs. 795mn during the first nine months of the fiscal year.

Outlook for the full year is positive and is expected to be driven by sales in the domestic market, alternate export markets sales' in the wake of CVD and anti-dumping proceedings in the USA market, better gross margin percentage and better performance of ISL.

We extend our gratitude to all our stakeholders for their continued support and thank the management and staff for their dedication and hard work.

For & behalf of
International Industries Limited


Zaffar.A.Khan
Chairman

Dated: 25 April, 2016
Karachi

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As at 31 March 2016

	Note	(Un-audited) 31 March 2016	(Audited) 30 June 2015
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,117,515	3,622,157
Intangible assets		11,489	13,211
Investments	6	2,742,705	2,742,705
Long-term deposits		33,266	6,867
Long-term prepayments		-	833
		<u>6,904,975</u>	<u>6,385,773</u>
Current assets			
Stores and spares		149,972	138,375
Stock-in-trade	7	3,541,851	3,653,153
Trade debts	8	2,130,635	2,314,178
Advances	9	35,971	153,076
Trade deposits and short-term prepayments	10	12,763	11,951
Other receivables	11	47,173	38,811
Taxation - net		326,514	417,813
Bank balances		9,502	24,673
		<u>6,254,381</u>	<u>6,752,030</u>
Total assets		<u><u>13,159,356</u></u>	<u><u>13,137,803</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 200,000,000 (2015: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital		1,198,926	1,198,926
Reserves	12	3,655,047	3,583,242
Total equity		<u>4,853,973</u>	<u>4,782,168</u>
Surplus on revaluation of property, plant and equipment		1,509,882	1,561,085
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	13	615,789	242,992
Staff retirement benefits		73,722	70,577
Deferred taxation - net		157,363	144,382
		<u>846,874</u>	<u>457,951</u>
Current liabilities			
Trade and other payables	14	1,367,081	1,375,318
Short-term borrowings - secured	15	4,347,509	4,664,407
Current portion of long-term financing	13	155,470	150,000
Sales tax payable		31,848	87,689
Accrued mark-up		46,719	59,185
		<u>5,948,627</u>	<u>6,336,599</u>
Total liabilities		<u>6,795,501</u>	<u>6,794,550</u>
Contingencies and commitments	16	-	-
Total equity and liabilities		<u><u>13,159,356</u></u>	<u><u>13,137,803</u></u>

The annexed notes 1 to 30 form an integral part of this condensed interim unconsolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

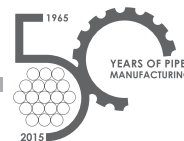


Nadir Akbarali Jamal
Chief Financial
Officer



Riyaz T. Chinoy
Chief Executive
Officer

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)



For the nine months and quarter ended 31 March 2016

	Note	Nine months period ended		Quarter ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
(Rupees in '000)					
Net sales	17	11,042,347	12,762,331	3,911,229	4,558,688
Cost of sales	18	(9,529,014)	(11,648,128)	(3,271,944)	(4,174,730)
Gross profit		<u>1,513,333</u>	<u>1,114,203</u>	<u>639,285</u>	<u>383,958</u>
Selling and distribution expenses	19	(524,035)	(425,146)	(176,177)	(141,181)
Administrative expenses	20	(167,170)	(127,086)	(51,687)	(45,472)
		(691,205)	(552,232)	(227,864)	(186,653)
Financial charges	21	(270,142)	(390,745)	(83,066)	(146,540)
Other operating charges	22	(65,650)	(61,888)	(37,417)	(9,751)
		(335,792)	(452,633)	(120,483)	(156,291)
Other income	23	145,034	367,775	45,414	39,283
Profit before taxation		<u>631,370</u>	<u>477,113</u>	<u>336,352</u>	<u>80,297</u>
Taxation	24	(165,000)	(64,145)	(68,000)	(14,845)
Profit after taxation for the period		<u>466,370</u>	<u>412,968</u>	<u>268,352</u>	<u>65,452</u>
(Rupees)					
Earnings per share - basic and diluted		<u>3.89</u>	<u>3.44</u>	<u>2.24</u>	<u>0.55</u>

The annexed notes 1 to 30 form an integral part of this condensed interim unconsolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial
Officer

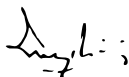
Riyaz T. Chinoy
Chief Executive
Officer

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

For the nine months and quarter ended 31 March 2016

Note	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
Profit after taxation for the period	466,370	412,968	268,352	65,452
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>466,370</u>	<u>412,968</u>	<u>268,352</u>	<u>65,452</u>

The annexed notes 1 to 30 form an integral part of this condensed interim unconsolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

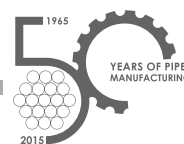


Nadir Akbarali Jamal
Chief Financial
Officer



Riyaz T. Chinoy
Chief Executive
Officer

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)




For the nine months period ended 31 March 2016

	Note	Nine months period ended	
		31 March 2016	31 March 2015
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		631,370	477,113
Adjustments for :			
Depreciation and amortisation		193,362	186,995
Provision for doubtful debts		42,393	6,644
Interest on bank deposits	23	(695)	(1,921)
Gain on disposal of property, plant and equipment	23	(32,204)	(17,299)
Dividend income	23	(7,278)	(255,972)
Amortisation of long-term prepayments		833	1,502
Provision for staff gratuity		27,900	-
Financial charges	21	270,142	390,745
		<u>1,125,823</u>	<u>787,807</u>
Movement in:			
Working capital	25	275,230	(29,491)
Long-term deposits		(26,399)	(2,745)
Net cash generated from operations		<u>1,374,654</u>	<u>755,571</u>
Financial charges paid		(282,608)	(418,520)
Payment of staff gratuity		(24,755)	-
Taxes paid		(60,720)	(5,808)
Net cash generated from operating activities		<u>1,006,571</u>	<u>331,243</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(716,279)	(306,302)
Investment in subsidiary company		-	(150,000)
Proceeds from disposal of property, plant and equipment		35,342	29,411
Dividend income received		7,278	255,972
Interest income received		695	1,921
Net cash used in investing activities		<u>(672,964)</u>	<u>(168,998)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		453,267	92,992
Repayment of long-term financing		(75,000)	(75,000)
Dividends paid		(410,147)	(407,961)
Net cash used in financing activities		<u>(31,880)</u>	<u>(389,969)</u>
Net increase in cash and cash equivalents		<u>301,727</u>	<u>(227,724)</u>
Cash and cash equivalents at beginning of the period		(4,639,734)	(6,204,973)
Cash and cash equivalents at end of the period		<u>(4,338,007)</u>	<u>(6,432,697)</u>
Cash and cash equivalents comprise:			
Bank balances		9,502	36,380
Short term borrowings	15	(4,347,509)	(6,469,077)
		<u>(4,338,007)</u>	<u>(6,432,697)</u>

The annexed notes 1 to 30 form an integral part of this condensed interim unconsolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Nadir Akbarali Jamal
Chief Financial
Officer


Riyaz T. Chinoy
Chief Executive
Officer


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

For the nine months period ended 31 March 2016

	Issued, subscribed and paid-up capital	— Revenue General reserves	Reserves — Un- appropriated profit	Total reserves	Total
	(Rupees in '000)				
Balance as at 1 July 2014	1,198,926	2,700,036	523,550	3,223,586	4,422,512
Changes in equity for the period ended 31 March 2015:					
Total comprehensive income for the period ended 31 March 2015					
Profit for the period	-	-	412,968	412,968	412,968
Other Comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	412,968	412,968	412,968
Transactions with owners recorded directly in equity - distributions:					
Dividend					
-Final dividend @ 20% (Rs. 2.00 per share) for the year ended 30 June 2014	-	-	(239,785)	(239,785)	(239,785)
-Interim dividend @ 15.00 % (Rs. 1.50 per share) for the year ended 30 June 2015	-	-	(179,839)	(179,839)	(179,839)
Total transactions with owners - distributions	-	-	(419,624)	(419,624)	(419,624)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	12,041	12,041	12,041
Balance as at 31 March 2015	1,198,926	2,700,036	528,935	3,228,971	4,427,897
Balance as at 1 July 2015	1,198,926	2,700,036	883,206	3,583,242	4,782,168
Changes in equity for the period ended 31 March 2016:					
Total comprehensive income for the period ended 31 March 2016					
Profit for the period	-	-	466,370	466,370	466,370
Other Comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	466,370	466,370	466,370
Transactions with owners recorded directly in equity - distributions:					
Dividend					
-Final dividend @ 25% (Rs. 2.50 per share) for the year ended 30 June 2015	-	-	(299,732)	(299,732)	(299,732)
-Interim dividend @ 10.00% (Rs. 1.00 per share) for the year ended 30 June 2016	-	-	(119,893)	(119,893)	(119,893)
Total transactions with owners - distributions	-	-	(419,625)	(419,625)	(419,625)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	25,060	25,060	25,060
Balance as at 31 March 2016	1,198,926	2,700,036	955,011	3,655,047	4,853,973

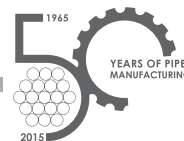
The annexed notes 1 to 30 form an integral part of this condensed interim unconsolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Nadir Akbarali Jamal
Chief Financial
Officer


Riyaz T. Chinoy
Chief Executive
Officer

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



For the nine months period ended 31 March 2016

1. STATUS AND NATURE OF BUSINESS

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

Details of the Company's investment in subsidiaries and associated company are disclosed in note 6 to this condensed interim unconsolidated financial information.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim unconsolidated financial information for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, have been followed.

This condensed interim unconsolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2015.

The comparative Balance Sheet presented in this condensed interim unconsolidated financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2015, whereas the comparative condensed interim Profit and Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim unconsolidated financial information for the period ended 31 March 2015.

This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance, 1984.

2.2 Basis of measurement

This condensed interim unconsolidated financial information has been prepared under the historical cost convention except that land and buildings are stated at fair values determined by an independent valuer and the Company's liability under its defined benefit plan (gratuity) which is determined on the present value of defined benefit obligations determined by an independent actuary.

2.3 Functional and presentation currency

This condensed interim unconsolidated financial information is presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand Rupee except where stated otherwise.

3. ACCOUNTING POLICIES

3.1

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended 30 June 2015, except for the following standards which became effective during the period.

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

For the nine months period ended 31 March 2016

3.2 New, Amended And Revised Standards And Interpretation of IFRSs

Certain amendments and interpretation to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the Company except for the application of IFRS 13 "Fair Value Measurement". IFRS 13 "Fair Value Measurement", consolidates the guidance on how to measure fair value, which was spread across various IFRSs, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the condensed interim unconsolidated financial information of the Company, except certain additional disclosures (refer note 5.1 and 6.8).

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim unconsolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

4.2 The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statement as at and for the year ended 30 June 2015.

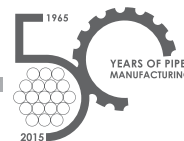
4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2015.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work - - in - progress (Rupees in '000)	Total
Cost / revalued amount			
Opening balance	5,488,658	198,224	5,686,882
Additions	819,478	722,190	1,541,668
Deletions / transfers	(24,378)	(819,478)	(843,856)
	<u>6,283,758</u>	<u>100,936</u>	<u>6,384,694</u>
Accumulated depreciation			
Opening balance	(2,064,725)	-	(2,064,725)
Disposal / adjustments	(12,772)	-	(12,772)
Charge for the period	(189,682)	-	(189,682)
	<u>(2,267,179)</u>	<u>-</u>	<u>(2,267,179)</u>
Written down value as at			
31 March 2016 (Un-audited)	<u>4,016,579</u>	<u>100,936</u>	<u>4,117,515</u>
Written down value as at 30 June 2015 (Audited)	<u>3,423,933</u>	<u>198,224</u>	<u>3,622,157</u>

5.1 Fair value measurement for land and buildings has been categorized as a level 3 fair value based on the inputs to the valuation technique used (details of which are disclosed in the annual financial statements as at and for the year ended 30 June 2015).

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



For the nine months period ended 31 March 2016

6. INVESTMENTS

31 March 2016 (Un-audited)	30 June 2015 (Audited)		31 March 2016 (Un-audited)	30 June 2015 (Audited)
Number of shares			(Rupees in '000)	
Quoted Companies				
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company at cost	2,450,555	2,450,555
2,425,913	2,425,913	Pakistan Cables Limited (PCL) - associate company at cost	132,982	132,982
Un-quoted Companies				
100,000	100,000	IIL Australia Pty Limited (IIL Australia) - subsidiary company at cost	9,168	9,168
15,000,000	15,000,000	IIL Stainless Steel (Pvt.) Limited (IIL SS) - subsidiary company at cost	150,000	150,000
			<u>2,742,705</u>	<u>2,742,705</u>

- 6.1 The Company holds 56.33% ownership interest in ISL. The Chief Executive of ISL is Mr. Yousuf H. Mirza.
- 6.2 The Company holds 8.52% ownership interest in PCL. The Chief Executive of PCL is Mr. Kamal A. Chinoy.
- 6.3 The Company holds 100% ownership interest in IIL Australia. The Chief Executive Officer of IIL Australia is Mr. Sohail Raza Bhojani. The Company is incorporated in Victoria, Australia.
- 6.4 The Company holds 100% ownership interest in IIL SS. The Chief Executive of IIL SS is Mr. Khawar Bari.
- 6.5 Market value of the aforementioned quoted investments is as follows:

	31 March 2016 (Un-audited)	30 June 2015 (Audited)
	(Rupees in '000)	
Quoted		
International Steels Limited	<u>7,123,765</u>	<u>6,886,061</u>
Pakistan Cables Limited	<u>340,404</u>	<u>403,915</u>

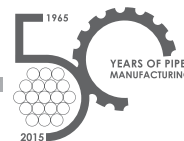
- 6.6 The book value of IIL Australia based on un-audited financial statements as at 31 March 2016 is negative AUD 1,853 (negative Rs. 0.147 million). [30 June 2015: AUD 103,069 (Rs. 8.03 million)].
- 6.7 The book value of IIL SS based on un-audited financial statements as at 31 March 2016 is Rs.123.3 million (30 June 2015: 143.7 million). The Company is incorporated in Pakistan.
- 6.8 The market value of investments disclosed in note 6.5 above has been categorised as Level 1 fair value measurement.

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

For the nine months period ended 31 March 2016

	31 March 2016 (Un-audited) ————(Rupees in '000)————	30 June 2015 (Audited)
7. STOCK-IN-TRADE		
Raw materials- in hand	1,708,838	1,098,760
- in transit	231,588	474,753
	<u>1,940,426</u>	<u>1,573,513</u>
Work-in-process	404,286	590,344
Finished goods	1,153,771	1,426,328
By-product	31,976	62,406
Scrap material	11,392	562
	<u>3,541,851</u>	<u>3,653,153</u>
7.1	Raw materials amounting to Rs. 6.7 million (30 June 2015: Rs. 6.4 million) as at 31 March 2016 was held at vendor premises for the production of pipe caps.	
8. TRADE DEBTS		
Considered good :		
- Secured	780,924	928,557
- Unsecured	1,349,711	1,385,621
Considered doubtful	79,923	37,530
	<u>2,210,558</u>	<u>2,351,708</u>
Provision for doubtful debts	(79,923)	(37,530)
	<u>2,130,635</u>	<u>2,314,178</u>
8.1	Related parties from whom debts are due are as under:	
Sui Southern Gas Company Limited / Sui Northern Gas Pipelines Limited	222,389	126
IIL Australia Pty Limited	196,177	84,947
Pakistan Cables Limited	-	830
IIL Stainless Steel (Private) Limited	60,003	-
Indus Motor Company Limited	3,563	-
Greaves Pakistan (Pvt) Limited	27	-
	<u>482,159</u>	<u>85,903</u>
9. ADVANCES		
Considered good:		
- Suppliers	35,073	126,320
- Employees for business related expenses	898	2,845
- Workers	-	23,911
	<u>35,971</u>	<u>153,076</u>
10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	5,994	6,928
Short-term prepayments	6,769	5,023
	<u>12,763</u>	<u>11,951</u>

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



For the nine months period ended 31 March 2016

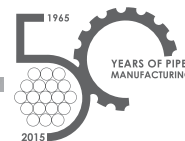
	Note	31 March 2016 (Un-audited) (Rupees in '000)	30 June 2015 (Audited)
11. OTHER RECEIVABLES			
Considered good:			
- Receivable for transmission of electricity to K-Electric		13,665	8,372
- Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods		25,940	25,940
- Receivable from IIL Stainless Steel (Private) Limited - a related concern		4,651	3,729
- Others		2,917	770
		<u>47,173</u>	<u>38,811</u>
12. RESERVES			
General reserves		2,700,036	2,700,036
Un-appropriated profit		955,011	883,206
		<u>3,655,047</u>	<u>3,583,242</u>
13. LONG-TERM FINANCING - secured			
Opening balance	13.1	392,992	450,000
Financing obtained during the period	13.2	453,267	92,992
Repayments		(75,000)	(150,000)
Long term finance utilised under mark-up arrangements		771,259	392,992
Current portion of long-term finances shown under current liabilities		(155,470)	(150,000)
		<u>615,789</u>	<u>242,992</u>
13.1			
All long-term financing utilized under mark-up arrangements is secured by way of a mortgage on all present and future lands and buildings located at Plot Number LX-15 & 16 and HX-7/4, Landhi Industrial Estate, Karachi and Survey No. 402, 405-406, Dehsharabi, Landhi Town, Karachi.			
13.2			
The Company has an approved financing facility under long term finance facility of an amount aggregating Rs.550 million. As at 31 March 2016 the Company has withdrawn Rs.546.3 million from a commercial bank. The facility is secured by way of a mortgage on all present and future land and buildings, located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate Karachi and Survey No.402,405-406, Dehsharabi, Landhi Town, Karachi.			
		31 March 2016 (Un-audited) (Rupees in '000)	30 June 2015 (Audited)
14. TRADE AND OTHER PAYABLES			
Trade creditors	14.1	253,704	39,049
Bills payable		-	474,753
Accrued expenses		595,331	462,741
Provision for Infrastructure Cess	14.2	248,390	220,702
Short-term compensated absences		6,750	6,000
Advance from customers		135,459	108,073
Payable against purchase of land		16,111	16,111
Workers' Profit Participation Fund		34,200	13,900
Workers' Welfare Fund		28,250	14,550
Unclaimed dividends		23,864	14,386
Others		25,022	5,053
		<u>1,367,081</u>	<u>1,375,318</u>

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

For the nine months period ended 31 March 2016

	Note	31 March 2016 (Un-audited) <u>(Rupees in '000)</u>	30 June 2015 (Audited)
14.1	Related parties to whom payments are due are as under:		
	Jubilee General Insurance Company Limited	7,911	1,213
	Pakistan Cables Limited	67	-
		<u>7,978</u>	<u>1,213</u>
14.2	Provision for Infrastructure Cess (Refer note 16.15)		
	Opening balance	220,702	172,781
	Charge for the period	27,688	47,921
	Closing balance	<u>248,390</u>	<u>220,702</u>
15.	SHORT-TERM BORROWINGS - secured		
	Running finance under mark-up arrangement	15.1 1,659,673	189,315
	Short-term borrowing under Money Market scheme	15.2 2,540,000	-
	Short-term borrowing under Export Refinance Scheme	15.3 30,000	2,884,800
	Running finance under FE-25 Export and Import Scheme	15.4 117,836	1,590,292
		<u>4,347,509</u>	<u>4,664,407</u>
15.1	The facilities for running finance available from various commercial banks amounted to Rs. 2,622 million (30 June 2015: Rs. 2,335 million). The rates of mark-up on these finances range from 6.39% to 8.00% per annum (30 June 2015: 9.33% to 9.45% per annum). The facilities for short-term finance mature within twelve months. Unavailed facility as at 31 March 2016 is Rs. 963 million (30 June 2015: Rs. 2,146 million).		
15.2	The facilities for short-term borrowing through Money Market Scheme available from various commercial banks under mark-up arrangements amounted to Rs. 4,414 million (30 June 2015: Rs. 2,197 million). Unavailed facility as at 31 March 2016 is Rs. 1,874 million (30 June 2015: 2197 million). The rate of markup on these finances range from 6.45% to 6.55% per annum (30 June 2015: 6.75% to 10.62% per annum).		
15.3	The Company has borrowed short-term running finance under the Export Refinance Scheme of the State Bank of Pakistan. The facility availed is for an amount of Rs. 3,102.5 million (30 June 2015: Rs. 2,885 million). The rates of mark-up on this facility are 3.85% to 4.0% per annum (30 June 2015: 5.50% per annum).		
15.4	The Company has borrowed short-term running finance under Foreign Exchange Circular No. 25 dated 20 June 1998 from certain banks for the purpose of meeting import requirements. The facilities availed are for an amount USD 1.1 million equivalent to Rs. 118 million (30 June 2015: USD 15.6 million equivalent to Rs. 1,590 million). The rate of mark-up on these facilities is 4% per annum (30 June 2015: 2.0 % to 2.5% per annum).		
15.5	All running finance and short-term borrowing facilities are secured by way of hypothecation of all present and future fixed assets (excluding lands and buildings) and present and future current and moveable assets.		

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



For the nine months period ended 31 March 2016

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- 16.1.1** Bank guarantees have been issued under certain supply contracts and to the Collector of Customs aggregating Rs. 335.2 million (30 June 2015: Rs. 125.6 million).
- 16.1.2** Custom duties amounting to Rs. 52 million (30 June 2015: Rs. 156 million) on import of raw material shall be payable by the Company in case of non-fulfillment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Company has provided post-dated cheques in favor of the Collector of Customs which are, in normal course of business, to be returned to the Company after fulfillment of stipulated conditions. The Company has fulfilled the condition for the aforementioned amounts and is making efforts to retrieve the associated post-dated cheques from the customs authorities.
- 16.1.3** An amount of Rs. 375 million was claimed by the customs authorities as duty rate differential on imports made during 2005-10 due to an anomaly in SRO 565(1) / 2006 Serial 88. Since then, the anomaly has been rectified. The Company filed a petition with the Sindh High Court in 2010 for an injunction and is awaiting the final judgment.
- 16.1.4** The customs authorities have charged a redemption fine of Rs. 83 million on the clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Sindh High Court, which has set aside the examination reports including the subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities have filed an application for leave to appeal against the order of the High Court. The management anticipates that the chances of admission of such appeal are remote.
- 16.1.5** The Company has reversed the provision for the levy of Infrastructure Cess amounting to Rs. 107 million in 2009 on the basis of a decision of the Sindh High Court which declared the levy of Infrastructure Cess before 28 December 2006 as void and invalid. However, the Excise and Taxation Department (the Department) has filed an appeal before the Supreme Court of Pakistan against such order. As such the guarantee against this amount has not yet been returned. In May 2011, the Supreme Court disposed off the appeal with a joint statement of the parties that, during the pendency of the appeal, another law i.e the Fifth Version, came into existence which was not the subject matter of the appeal; hence the case was referred back to the High Court with the right to appeal to the Supreme Court. On 31 May 2011, the High Court has granted an interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignments released upto 27 December 2006 and any bank guarantee / security furnished for consignments released after 27 December 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with balance kept intact till the disposal of petition. In case the High Court upholds the applicability of the Fifth Version of the law and its retrospective application, the authorities are entitled to claim the amounts due under the said law with the right to appeal available to the petitioner. Bank guarantees amounting to Rs. 374 million (30 June 2015: Rs. 338 million) which includes Rs. 107 million mentioned above have been provided to the Department in this regard. However, a provision to the extent of amount utilised from the limit of guarantee has also been provided for by the Company on prudent basis (note 14.2).
- 16.1.6** During the year 2014-15, Government passed a new law "Gas Infrastructure Development Cess Act 2015" by virtue of which all prior enactments have been declared infructuous. The said Act levies GID Cess at Rs. 200/MMBTU on captive power consumption effective 1 July 2011 and at Rs. 100/MMBTU on industrial connection from the date of passing of that Act. The Company has obtained a stay order on the retrospective application of the Act from the Honorable High Court of Sindh. The Company is confident of favorable outcome and therefore has not recorded provision of Rs. 103 million in these financial statements. However, the Company has recognised the cess after the passage of the Act.
- 16.1.7** The Company has received a demand from Deputy Collector (Manufacturing Bond) aggregating Rs 82.9 million on account of sales tax, custom duty and withholding income tax in respect of wastage generated on raw material imported under manufacturing bond license and covers the period July 2007 to December 2010.

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

For the nine months period ended 31 March 2016

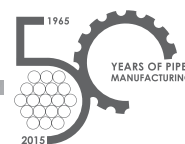
The Company on the basis of an audit being duly completed till 31 March 2009 believes no further dues were liable to be paid. The Company has filed a Constitutional Petition in the Sindh High Court (SHC) which has granted interim stay on 9 December 2013. During the nine months period ended 31 March 2016, the SHC heard the petition in length and remanded the case back to the Collector Adjudication II, for fresh examination strictly in accordance with the law. There has been hearings in this matter and the Company has submitted its written legal arguments and based on advice of legal counsel and merits of the case, is confident that the subject demand is unjustified and the matter will be decided in its favor. Subsequent to the quarter end, Custom Adjudication Authority agreed that no amount is due from the company and the charges levied against the company are not established.

- 16.1.8** Alloy steel being imported from China under FTA with HS Code 7225 was under dispute whereby that the Customs Authorities did not recognize the said alloy steel and cleared all such consignments under HS Code 7208 as being prime hot rolled steel coils which attracted 5% customs duty and 12.5% regulatory duty. A petition was filed in Sindh High Court for clarification of such anomaly and the Company had to submit bank guarantees worth Rs. 150.6 million for 5% customs duty and 12.5% regulatory duty as per the interim order of the Sindh High Court. Since then the Sindh High Court has decided this case in favor of the Petitioners on the basis that if any consignment contains more than 0.0008% boron as inherent part of steel that the same would qualify as alloy steel which would not attract payment of any duties. The return of our bank guarantees is awaited as all our alloy steel consignments imported from China under FTA did contain more than 0.0008% boron. Subsequent to the quarter end, bank guarantees worth Rs. 21.5 million has been released and request has been forwarded by the Collectorate of Customs to the Nazir Sindh High Court to release the balance bank guarantees worth Rs. 129.1 million.
- 16.1.9** The Company has issued a corporate guarantee to a commercial bank for securing funded and unfunded facilities of Rs. 125 million each by its wholly owned Subsidiary Company. The facilities are secured by way of hypothecation of all present and future fixed assets (excluding land and building) and present and future current and moveable assets.
- 16.1.10** Relying upon the judgment by Peshawar High Court, Model Collectorate of Customs (MCC), Peshawar stopped exports of the Company goods to Afghanistan under the pretext that SRO 190(I) / 2002 dated 2 April 2002 attracts a levy of sales tax at the rate of 17%. Subsequently the goods already in transit were held at Torkham Boarder by MCC Peshawar on the account of non-payment of 17% Sales Tax. A Constitutional Petition in the Sindh High Court (SHC) on 1 October 2015 arguing that there is no sales tax on exports to Afghanistan as the same is exempted under the manufacturing bond rules SRO 450(I) / 2015. Secondly, SRO 190 was issued in 2002 and was never implemented, therefore under Section 65 of the Sales Tax Act 1990 no such liability could be raised at this stage. The SHC granted stay order whereby the Company was allowed to export its goods to Afghanistan subject to depositing bank guarantees worth Rs. 6.2 million (i.e. value of disputed sales tax amount) before the Nazir of the SHC. On 30 October 2015 FBR issued a clarification as to the applicability of SRO 190(I) / 2002 and stated that exports made to Afghanistan does not attract the levy of sales tax. The said clarification has already been filed before the SHC and disposal of the case along with return of the said bank guarantees is awaited.

16.2 Commitments

- 16.2.1** Capital expenditure commitments outstanding as at 31 March 2016 amounted to Rs. 214.7 million (30 June 2015: Rs. 437.5 million).
- 16.2.2** Commitments under Letters of Credit for raw materials and stores and spares as at 31 March 2016 amounted to Rs. 1,227.6 million (30 June 2015: Rs. 1,656.5 million).
- 16.2.3** Commitments under purchase contracts as at 31 March 2016 amounted to Rs. 240.8 million (30 June 2015: Rs. 116.5 million).
- 16.2.4** Unavailed facilities for opening letters of credit and guarantees from banks as at 31 March 2016 amounted to Rs. 8,388.1 million (30 June 2015: Rs. 7,734 million) and Rs. 56.2 million (30 June 2015: Rs. 107.5 million) respectively.

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



For the nine months period ended 31 March 2016

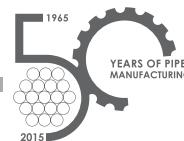
	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
17. NET SALES				
Local	9,844,087	9,573,930	3,417,879	3,523,665
Export	3,291,203	5,019,133	1,226,016	1,713,858
	<u>13,135,290</u>	<u>14,593,063</u>	<u>4,643,895</u>	<u>5,237,523</u>
Sales Tax	(1,438,204)	(1,501,955)	(499,147)	(556,543)
Trade discounts	(376,155)	(77,024)	(133,563)	(32,106)
Sales discount and commission	(278,584)	(251,753)	(99,956)	(90,186)
	<u>(2,092,943)</u>	<u>(1,830,732)</u>	<u>(732,666)</u>	<u>(678,835)</u>
	<u>11,042,347</u>	<u>12,762,331</u>	<u>3,911,229</u>	<u>4,558,688</u>
18. COST OF SALES				
Opening stock of raw material and work-in-process	1,689,104	4,621,796	1,664,679	2,431,851
Purchases	8,778,578	9,542,181	3,333,895	4,171,180
Salaries, wages and benefits	545,407	459,798	145,822	155,129
Rent, rates and taxes	1,649	1,167	780	737
Electricity, gas and water	260,387	203,074	88,888	65,741
Insurance	4,825	5,550	(464)	2,168
Security and janitorial	20,696	17,769	7,124	6,334
Depreciation and amortisation	171,789	170,703	63,323	60,347
Stores and spares consumed	47,994	51,865	15,354	17,818
Repairs and maintenance	75,294	79,331	22,693	26,595
Postage, telephone and stationery	7,701	6,526	3,194	2,893
Vehicle, travel and conveyance	11,723	10,343	3,846	4,382
Internal material handling	20,425	14,808	6,818	5,612
Environment controlling expenses	169	418	54	319
Sundries	3,527	1,520	1,480	655
Toll manufacturing charges	9,207	103,359	2,228	19,858
Sale of scrap generated during production	(309,324)	(495,775)	(91,220)	(148,638)
Closing stock of raw materials and work-in-process	(2,113,124)	(2,590,217)	(2,113,124)	(2,590,217)
Cost of goods manufactured	<u>9,226,027</u>	<u>12,204,216</u>	<u>3,155,370</u>	<u>4,232,764</u>
Finished goods and by-products:				
- Opening stock	1,488,734	1,441,069	1,302,321	1,939,123
- Closing stock	(1,185,747)	(1,997,157)	(1,185,747)	(1,997,157)
	<u>302,987</u>	<u>(556,088)</u>	<u>116,574</u>	<u>(58,034)</u>
	<u>9,529,014</u>	<u>11,648,128</u>	<u>3,271,944</u>	<u>4,174,730</u>

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

For the nine months period ended 31 March 2016

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
19. SELLING AND DISTRIBUTION EXPENSES				
Freight and forwarding	320,971	305,014	102,444	99,726
Salaries, wages and benefits	91,761	69,501	29,503	25,474
Rent, rates and taxes	216	186	45	25
Electricity, gas and water	3,662	3,417	972	830
Insurance	1,158	1,836	379	350
Depreciation and amortisation	9,183	5,977	3,393	2,057
Repairs and maintenance	604	1,172	219	390
Advertising and sales promotion	15,978	12,418	2,474	6,099
Postage, telephone and stationery	4,981	3,983	1,928	1,582
Office supplies	48	41	15	23
Vehicle, travel and conveyance	13,305	9,538	4,342	2,700
Provision for doubtful debts / write off	42,470	6,644	28,900	1,202
Certification and registration charges	7,246	3,625	1,563	57
Legal and professional charges	12,452	-	-	-
Others	-	1,794	-	666
	<u>524,035</u>	<u>425,146</u>	<u>176,177</u>	<u>141,181</u>
20. ADMINISTRATIVE EXPENSES				
Salaries, wages and benefits	115,403	81,635	34,589	28,600
Rent, rates and taxes	123	171	-	35
Electricity, gas and water	1,878	1,390	525	317
Insurance	1,663	203	1,272	36
Depreciation and amortisation	12,390	10,194	4,049	3,706
Repairs and maintenance	873	504	358	176
Postage, telephone and stationery	6,771	5,108	2,084	1,895
Office supplies	67	37	27	23
Vehicle, travel and conveyance	4,160	5,147	1,706	2,191
Legal and professional charges	12,251	10,481	3,172	3,630
Certification and registration charges	3,318	2,366	1,353	1,347
Others	8,273	9,850	2,552	3,516
	<u>167,170</u>	<u>127,086</u>	<u>51,687</u>	<u>45,472</u>
21. FINANCIAL CHARGES				
Mark-up on:				
- Long-term financing	26,592	34,451	9,158	10,100
- Short-term borrowings	161,634	244,850	67,027	75,216
Exchange loss on FE borrowing	71,527	102,453	3,342	58,038
Interest on Workers' Profit Participation Fund	560	317	-	-
Bank charges	9,829	8,674	3,539	3,186
	<u>270,142</u>	<u>390,745</u>	<u>83,066</u>	<u>146,540</u>

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



For the nine months period ended 31 March 2016

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
22. OTHER OPERATING CHARGES	(Rupees in '000)			
Auditors' remuneration	1,821	1,639	456	407
Exchange loss	-	29,908	-	-
Donations	12,700	8,075	8,000	425
Workers' Profit Participation Fund	34,200	11,900	18,200	4,400
Workers' Welfare Fund	13,700	4,750	7,400	1,750
Project development expenses	3,229	5,616	3,361	2,769
	<u>65,650</u>	<u>61,888</u>	<u>37,417</u>	<u>9,751</u>
23. OTHER INCOME				
Income / return on financial assets				
Interest on bank deposits	695	1,921	253	755
Income from non-financial assets				
Income from power generation	55,459	44,184	18,546	14,920
Gain on disposal of property, plant and equipment	32,204	17,299	8,720	7,983
Rental income	10,347	7,198	3,509	2,399
Dividend income from associate / subsidiary	7,278	255,972	-	-
Exchange gain	29,116	33,762	11,384	11,489
Others	9,935	7,439	3,002	1,737
	<u>145,034</u>	<u>367,775</u>	<u>45,414</u>	<u>39,283</u>
24. TAXATION				
Current	152,019	97,956	49,663	38,070
Deferred	12,981	(33,811)	18,337	(23,225)
	<u>165,000</u>	<u>64,145</u>	<u>68,000</u>	<u>14,845</u>

- 24.1** The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company intends to distribute sufficient cash dividend for the year ending 30 June 2016 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed unconsolidated interim financial information.

	31 March 2016	31 March 2015
25. MOVEMENT IN WORKING CAPITAL	(Rupees in '000)	
(Increase) / decrease in current assets:		
Store and spares	(11,597)	(13,635)
Stock-in-trade	111,302	2,081,937
Trade debts	141,150	(231,589)
Advances	117,105	(128,960)
Trade deposit and short-term prepayments	(812)	(1,483)
Other receivables	(8,362)	329,170
	<u>348,786</u>	<u>2,035,440</u>
(Decrease) in current liabilities:		
Trade and other payables	(73,556)	(2,064,931)
	<u>275,230</u>	<u>(29,491)</u>

Third Quarter Ended March 31, 2016 **19**

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

For the nine months period ended 31 March 2016

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Company and its subsidiary company, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Contributions to its defined contribution plan (Provident Fund) are made as per the terms of employment and contributions to its defined benefit plan (Gratuity Fund) are in accordance with actuarial advice. Remuneration of key management personnel is in accordance with their terms of employment and Company's policy.

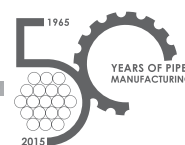
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its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

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim unconsolidated financial information, are as follows:

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
Subsidiary companies				
Sales	289,712	113,798	104,302	44,379
Supply of Tolling Services	12,599	-	-	-
Purchases	1,864,277	489,603	548,569	10,227
Purchase of store items	215	-	215	-
Sales of store items	7,634	1,099	2,513	1,099
Cost of shared resources	27,928	16,240	9,830	6,360
Toll manufacturing (inclusive of sales tax)	7,540	120,930	1,435	23,234
Reimbursement of corporate affairs management expenses	10,083	2,439	3,000	335
Reimbursement of payments made on behalf of a subsidiary	5,753	78,330	4,989	22,848
Rental income	9,987	7,197	3,329	2,399
Dividend received	-	245,056	-	-
Investment in IIL Stainless Steel (Pvt) Ltd	-	150,000	-	74,900

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

For the nine months period ended 31 March 2016



	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
(Rupees in '000)				
Associated companies				
Sales	1,004,378	345,200	387,720	71,542
Purchases	201,520	197,076	61,896	64,666
Purchase of vehicle	-	8,621	-	6,838
Insurance premium expense	17,042	12,397	2,304	2,309
Insurance claims / adjustments	1,911	40,836	1,517	1,706
Donations	-	1,000	-	-
Dividend paid	20,573	21,177	6,594	8,753
Dividend received	7,278	10,917	-	-
Participation fee	50	216	10	117
Rent income	180	-	180	-
Key management personnel				
Remuneration	150,477	140,767	49,120	47,707
Staff retirement benefits				
Contribution paid	44,137	32,727	13,908	10,920
Non-executive directors				
Directors' fee	2,610	3,490	750	1,380

27. SEGMENT REPORTING

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

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

For the nine months period ended 31 March 2016

27.1 SEGMENT REVENUE AND RESULTS

	Steel Segment	Plastic Segment (Rupees in '000)	Total
For the period ended 31 March 2016			
Sales	9,818,619	1,223,728	11,042,347
Cost of sales	<u>8,489,307</u>	<u>1,039,707</u>	<u>9,529,014</u>
Gross Profit	<u>1,329,312</u>	<u>184,021</u>	<u>1,513,333</u>
For the period ended 31 March 2015			
Sales	12,154,712	607,619	12,762,331
Cost of sales	<u>11,085,542</u>	<u>562,586</u>	<u>11,648,128</u>
Gross Profit	<u>1,069,170</u>	<u>45,033</u>	<u>1,114,203</u>

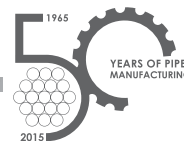
Reconciliation of segment results with profit after tax is as follows:

	Nine months period ended	
	31 March 2016	31 March 2015
	(Rupees in '000)	
Total results for reportable segments	1,513,333	1,114,203
Selling, distribution and administrative expenses	(691,205)	(552,232)
Financial charges	(270,142)	(390,745)
Other operating expenses	(65,650)	(61,888)
Other operating income	145,034	367,775
Taxation	(165,000)	(64,145)
Profit after tax	<u>466,370</u>	<u>412,968</u>

27.2 SEGMENT ASSETS & LIABILITIES

	Steel Segment	Plastic Segment (Rupees in '000)	Total
As at 31 March 2016 - Un-audited			
Segment assets	<u>9,070,643</u>	<u>719,358</u>	<u>9,790,001</u>
Segment liabilities	<u>5,136,060</u>	<u>546,037</u>	<u>5,682,097</u>
As at 30 June 2015 - Audited			
Segment assets	<u>8,934,099</u>	<u>655,389</u>	<u>9,589,488</u>
Segment liabilities	<u>5,402,757</u>	<u>399,702</u>	<u>5,802,459</u>

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



For the nine months period ended 31 March 2016

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

	31 March 2016 (Un-audited) <u>(Rupees in '000)</u>	30 June 2015 (Audited) <u>(Rupees in '000)</u>
Total reportable segments assets	9,790,001	9,589,488
Unallocated assets	3,369,355	3,548,315
Total assets as per Balance Sheet	<u>13,159,356</u>	<u>13,137,803</u>
Total reportable segments liabilities	5,682,097	5,802,459
Unallocated liabilities	1,113,404	992,091
Total liabilities as per Balance Sheet	<u>6,795,501</u>	<u>6,794,550</u>

28. CORRESPONDING FIGURES

Corresponding figures have been rearranged for the purposes of comparison and better presentation. The effect of rearrangement is not material.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on 25 April 2016.

30. GENERAL

30.1 All financial information has been rounded off to the nearest thousand Rupee.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial
Officer

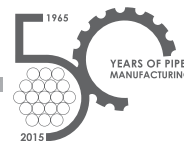
Riyaz T. Chinoy
Chief Executive
Officer



Promising Reliability, For Now and Tomorrow

**Condensed Interim Consolidated
Financial Information (Un-audited)
March 31, 2016**

Condensed Interim Consolidated Balance Sheet



As at 31 March 2016

	Note	(Un-audited) 31 March 2016	(Audited) 30 June 2015
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	4	16,403,437	16,049,995
Intangible assets		11,627	13,762
Long-term deposits		33,366	6,967
Investment in equity-accounted investee	5	263,181	260,069
Long-term prepayments		-	833
		<u>16,711,611</u>	<u>16,331,626</u>
Current assets			
Stores and spares		588,411	487,952
Stock-in-trade	6	7,935,700	8,187,329
Trade debts	7	2,483,350	2,662,620
Advances	8	89,843	200,994
Trade deposits and short-term prepayments	9	29,093	27,701
Sales Tax refundable		405,115	59,031
Other receivables	10	90,278	91,977
Taxation - net		1,617,810	1,763,196
Bank balances		80,457	64,853
		<u>13,320,057</u>	<u>13,545,653</u>
Total assets		<u><u>30,031,668</u></u>	<u><u>29,877,279</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 200,000,000 (2015: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital		1,198,926	1,198,926
Reserves	11	3,808,708	3,559,007
Translation reserve		(1,511)	(1,216)
Total equity		<u>5,006,123</u>	<u>4,756,717</u>
Non-controlling interest		2,328,968	2,170,330
		<u>7,335,091</u>	<u>6,927,047</u>
Surplus on revaluation of property, plant and equipment		2,476,422	2,536,561
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	12	5,870,068	5,983,759
Staff retirement benefits		94,408	91,263
Deferred taxation - net	13	577,485	523,224
		<u>6,541,961</u>	<u>6,598,246</u>
Current liabilities			
Trade and other payables	14	5,386,416	3,675,367
Short-term borrowings - secured	15	7,071,452	8,780,348
Current portion of long-term financing	12	1,034,438	999,878
Accrued markup		151,782	271,954
Sales tax payable		34,106	87,878
		<u>13,678,194</u>	<u>13,815,425</u>
Total liabilities		<u>20,220,155</u>	<u>20,413,671</u>
Contingencies and commitments	16	-	-
Total equity and liabilities		<u><u>30,031,668</u></u>	<u><u>29,877,279</u></u>

The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial
Officer

Riyaz T. Chinoy
Chief Executive
Officer

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the nine months period and quarter ended 31 March 2016

	Note	Nine months period ended		Quarter ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
(Rupees in '000)					
Net sales	17	24,303,463	25,037,148	9,894,190	8,880,484
Cost of sales	18	(21,447,319)	(22,952,206)	(8,255,655)	(8,245,335)
Gross profit		<u>2,856,144</u>	<u>2,084,942</u>	<u>1,638,535</u>	<u>635,149</u>
Selling and distribution expenses	19	(653,057)	(558,628)	(230,431)	(177,365)
Administrative expenses	20	(301,470)	(237,538)	(104,359)	(84,627)
		(954,527)	(796,166)	(334,790)	(261,992)
Financial charges	21	(871,521)	(1,221,534)	(259,794)	(401,811)
Other operating charges	22	(201,945)	(64,517)	(88,154)	(8,222)
		(1,073,466)	(1,286,051)	(347,948)	(410,033)
Other income	23	177,402	202,224	61,089	64,809
Share of profit in equity- accounted investee - net of tax		11,674	15,530	3,907	3,323
Profit before taxation		<u>1,017,227</u>	<u>220,479</u>	<u>1,020,793</u>	<u>31,256</u>
Taxation	24	(221,973)	(48,301)	(336,609)	(3,991)
Profit after taxation		<u>795,254</u>	<u>172,178</u>	<u>684,184</u>	<u>27,265</u>
Profit after taxation attributable to:					
Owners of Holding Company		640,410	152,507	498,581	9,860
Non-controlling interest		154,844	19,671	185,603	17,405
		<u>795,254</u>	<u>172,178</u>	<u>684,184</u>	<u>27,265</u>
(Rupees)					
Earnings per share - basic and diluted		<u>5.34</u>	<u>1.27</u>	<u>4.16</u>	<u>0.08</u>

The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

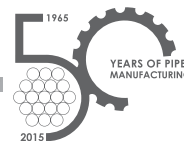


Nadir Akbarali Jamal
Chief Financial
Officer



Riyaz T. Chinoy
Chief Executive
Officer

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



For the nine months period and quarter ended 31 March 2016

Note	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
Profit after taxation	795,254	172,178	684,184	27,265
Other comprehensive income				
Item to be reclassified to profit and loss accounts in subsequent periods				
Foreign operation - foreign currency translation difference	(295)	-	(97)	-
Proportionate share of other comprehensive income of equity accounted investee	(1,284)	-	-	-
Other comprehensive income	(1,579)	-	(97)	-
Total comprehensive income	<u>793,675</u>	<u>172,178</u>	<u>684,087</u>	<u>27,265</u>
Total comprehensive income attributable to:				
Owners of Holding Company	638,831	170,006	498,484	46,131
Non-controlling interest	154,844	2,172	185,603	(18,866)
Total comprehensive income	<u>793,675</u>	<u>172,178</u>	<u>684,087</u>	<u>27,265</u>

The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial
Officer


Riyaz T. Chinoy
Chief Executive
Officer

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months period and quarter ended 31 March 2016

	Note	(Un-audited) 31 March 2015	(Un-audited) 31 March 2014
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,017,227	220,479
Adjustments for:			
Depreciation and amortisation		720,336	588,739
Provision for doubtful debts		42,393	6,644
Interest on bank deposits	23	(1,390)	(1,973)
Gain on disposal of property, plant and equipment	23	(38,508)	(21,568)
Provision for staff gratuity		36,072	-
Share of profit from associated company		(11,674)	(15,530)
Translation reserve		(379)	(1,560)
Amortisation of long term prepayments		833	1,502
Financial charges	21	871,642	1,221,534
		<u>2,636,552</u>	<u>1,998,267</u>
Movement in:			
Working capital		1,701,230	(658,679)
Long-term deposits		(26,399)	(2,745)
Net cash generated from operations		<u>4,311,382</u>	<u>1,336,843</u>
Financial charges paid		(991,818)	(1,231,473)
Gratuity paid		(32,927)	-
Taxes paid		(22,247)	(292,883)
Net cash generated from / (used in) operating activities		<u>3,264,390</u>	<u>(187,513)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,105,734)	(3,066,961)
Dividend income received		7,278	10,916
Proceeds from disposal of property, plant and equipment		46,460	54,835
Interest income received		1,390	1,973
Net cash used in investing activities		<u>(1,050,606)</u>	<u>(2,999,237)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of long-term financing - secured		(79,131)	1,923,485
Dividends paid to non controlling interest		(6)	(189,537)
Dividends paid		(410,147)	(407,961)
Net cash (used in) / generated from financing activities		<u>(489,284)</u>	<u>1,325,987</u>
Net decrease in cash and cash equivalents		<u>1,724,500</u>	<u>(1,860,763)</u>
Cash and cash equivalents at beginning of the period		<u>(8,715,495)</u>	<u>(11,035,393)</u>
Cash and cash equivalents at end of the period		<u><u>(6,990,995)</u></u>	<u><u>(12,896,156)</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash and bank balances		80,457	91,491
Short-term borrowings - secured	15	(7,071,452)	(12,987,647)
		<u><u>(6,990,995)</u></u>	<u><u>(12,896,156)</u></u>

The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

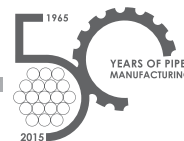


Nadir Akbarali Jamal
Chief Financial
Officer



Riyaz T. Chinoy
Chief Executive
Officer

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



For the nine months period and quarter ended 31 March 2016

	Attributable to owners of the Holding Company				Total	Non-controlling interest	Total	
	Issued, subscribed and paid-up capital	General reserves	Revenue Reserves Un-appropriated profit / (loss)	Exchange translation reserve				Total reserves
	(Rupees in '000)							
Balance as at 1 July 2014	1,198,926	2,991,258	337,882	159	3,329,299	4,528,225	2,270,756	6,798,981
Total comprehensive income for the nine months period ended 31 March 2015								
Profit for the period	-	-	170,006	-	170,006	170,006	2,172	172,178
Other comprehensive income	-	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity	-	-	170,006	-	170,006	170,006	2,172	172,178
Distribution to owners of the Holding Company:								
-Final dividend @ 20.00% (Rs. 2.00 per share) for the year ended 30 June 2014	-	-	(239,785)	-	(239,785)	(239,785)	-	(239,785)
-Interim dividend @ 15.00% (Rs. 1.50 per share) for the year ended 30 June 2015	-	-	(179,839)	-	(179,839)	(179,839)	-	(179,839)
Total transactions with owners of the Holding Company	-	-	(419,624)	-	(419,624)	(419,624)	-	(419,624)
Re-translate to reserves	-	-	-	(1,560)	(1,560)	(1,560)	-	(1,560)
Final dividend @ 10% (Re. 1.00 per share) attributable to non controlling interest	-	-	-	-	-	-	(189,944)	(189,944)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	16,936	-	16,936	16,936	3,794	20,730
Balance as at 31 March 2015	1,198,926	2,991,258	105,200	(1,401)	3,095,057	4,293,983	2,086,778	6,380,761
Balance as at 1 July 2015	1,198,926	2,991,258	567,749	(1,216)	3,557,791	4,756,717	2,170,330	6,927,047
Total comprehensive income for the nine months period ended 31 March 2016								
Profit for the period	-	-	640,410	-	640,410	640,410	154,844	795,254
Other comprehensive income	-	-	(1,284)	(295)	(1,579)	(1,579)	-	(1,579)
	-	-	639,126	(295)	638,831	638,831	154,844	793,675
Distribution to owners of the Holding Company:								
-Final dividend @ 25% (Rs. 2.50 per share) for the year ended 30 June 2015	-	-	(299,732)	-	(299,732)	(299,732)	-	(299,732)
-Interim dividend @ 10% (Rs. 1.00 per share) for the year ended 30 June 2016	-	-	(119,893)	-	(119,893)	(119,893)	-	(119,893)
Total transactions with owners of the Holding Company	-	-	(419,625)	-	(419,625)	(419,625)	-	(419,625)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	30,200	-	30,200	30,200	3,794	33,994
Balance as at 31 March 2016	1,198,926	2,991,258	817,450	(1,511)	3,807,197	5,006,123	2,328,968	7,335,091

The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Nadir Akbarali Jamal
Chief Financial
Officer


Riyaz T. Chinoy
Chief Executive
Officer

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

For the nine months ended 31 March 2016

1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of International Industries Limited, the Holding Company, and International Steels Limited, IIL Australia PTY Limited and IIL Stainless Steel (Private) Limited (the Subsidiary Companies) (together referred to as "the Group" and individually as "Group Entities") and the Group's interest in its equity-accounted investee namely Pakistan Cables Limited.
- 1.2 International Industries Limited was incorporated in Pakistan in 1948 and is quoted on the Pakistan Stock Exchange. It is in the business of manufacturing and marketing galvanized steel pipes, precision steel tubes, API line pipes and polyethylene pipes. Its registered office is situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530.
- 1.3 International Steels Limited was incorporated in Pakistan in 2007 as an unlisted company under the Companies Ordinance, 1984 and is domiciled in the province of Sindh. Subsequent to the sale of shares by the Holding Company to the general public under an Initial Public Offer, it was listed on the Karachi Stock Exchange on 1 June 2011. Its primary activity is the manufacturing of cold rolled steel coils and galvanized sheets. It commenced commercial operations on 1 January 2011. Its registered office is situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530.
- 1.4 IIL Australia PTY Limited (IIL Australia) was incorporated in Victoria, Australia on 2 May 2014 and is in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. The registered office is situated at 101 - 103, Abbot Road, Hallam, Victoria 3803 Australia.
- 1.5 IIL Stainless Steel (Private) Limited (IIL-SS) was incorporated in Pakistan on 28 November 2014 and is in the business of manufacturing and marketing stainless steel pipe. The registered office is situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530.
- 1.6 Details of the Group's equity-accounted investee are given in note 5 to this condensed interim consolidated financial information.

2. BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information has been prepared from the information available in the condensed un-audited separate financial information of the Holding Company for the nine month period ended 31 March 2016 and the condensed un-audited financial information of the Subsidiary Companies for the nine months period ended 31 March 2016.

Detail regarding the financial information of the equity-accounted investee used in the preparation of this condensed interim consolidated financial information is given in note 5.

2.2 Statement of Compliance

This interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984 and the provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of or directive issued under the Ordinance shall prevail.

- 2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency. All financial information presented has been rounded off to the nearest thousand Rupee.

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



For the nine months ended 31 March 2016

- 2.4** This condensed interim consolidated financial information is being submitted to the shareholders as required by listing regulations of the Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984.
- 2.5** Estimates and judgements made by the Group in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the audited annual separate financial statements of the Group Entities as at and for the year ended 30 June 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

3.1.1 Investment in subsidiaries

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

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

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

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

3.1.2 Investment in associate

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

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

The financial statements of associates used for equity-accounting are prepared with a difference of three months from the reporting period of the Group.

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

For the nine months ended 31 March 2016

4. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work - - in - progress (Rupees in '000)	Total
Cost / revalued amount			
Opening balance	18,295,706	1,808,256	20,103,962
Additions	2,635,497	1,141,340	3,776,837
Translate reserve	4	-	4
Disposals / transfers	(68,187)	(2,635,678)	(2,703,865)
	<u>20,863,020</u>	<u>313,918</u>	<u>21,176,938</u>
Accumulated depreciation			
Opening balance	(4,053,967)	-	(4,053,967)
Disposals / adjustments	(3,291)	-	(3,291)
Charge for the period	(716,243)	-	(716,243)
	<u>(4,773,501)</u>	<u>-</u>	<u>(4,773,501)</u>
Written down value as at 31 March 2016 (Un-audited)	<u>16,089,519</u>	<u>313,918</u>	<u>16,403,437</u>
Written down value as at 30 June 2015 (Audited)	<u>14,241,739</u>	<u>1,808,256</u>	<u>16,049,995</u>
		31 March 2016 (Un-audited)	30 June 2015 (Audited)
		Note	(Rupees in '000)

5. INVESTMENT IN EQUITY - accounted investee

Pakistan Cables Limited - Associate Company	5.1	<u>263,181</u>	<u>260,069</u>
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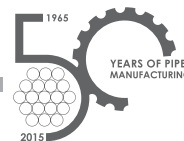
- 5.1 This represents the Holding Company's investment in Pakistan Cables Limited (PCL), a company incorporated in Pakistan. The Holding Company has invested in 2,425,913 shares (30 June 2015: 2,425,913 shares) of the Associate Company and holds 8.52% (30 June 2015: 8.52%) ownership interest in PCL.

The Chief Executive Officer of PCL is Mr. Kamal A. Chinoy. The market value as at 31 March 2016 was Rs. 340.404 million (30 June 2015: Rs. 403.915 million). The share of profit after acquisition is recognised based on PCL's unaudited financial statements as at 31 December 2015. The latest financial statements of the Associated Company as at 31 March 2016 are not presently available.

	31 March 2016 (Un-audited)	30 June 2015 (Audited)
	(Rupees in '000)	
6. STOCK-IN-TRADE		
Raw material - in hand	3,585,563	3,353,839
- in transit	1,528,630	773,716
	<u>5,114,193</u>	<u>4,127,555</u>
Work-in-process	746,684	962,394
Finished goods	2,015,735	3,019,255
By-products	31,976	62,406
Scrap material	27,112	15,719
	<u>7,935,700</u>	<u>8,187,329</u>

- 6.1 Raw material of Holding Company amounting to Rs.6.7 million (30 June 2015: Rs.6.4 million) as at 31 March 2016 was held at vendor premises for the production of pipe caps.

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



For the nine months ended 31 March 2016

	31 March 2016 (Un-audited)	30 June 2015 (Audited)
Note	(Rupees in '000)	
7. TRADE DEBTS		
Considered good:		
- Secured	1,108,866	1,233,009
- Unsecured	1,374,484	1,429,611
	<u>2,483,350</u>	<u>2,662,620</u>
Considered doubtful	79,923	37,529
	<u>2,563,273</u>	<u>2,700,149</u>
Provision for doubtful debts	(79,923)	(37,529)
	<u>2,483,350</u>	<u>2,662,620</u>
8. ADVANCES		
Considered good:		
- Suppliers and service providers	87,954	174,238
- Employees for business related expenses	1,889	-
- Employees	-	26,756
	<u>89,843</u>	<u>200,994</u>
9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	14,743	18,610
Short-term prepayments	14,350	9,091
	<u>29,093</u>	<u>27,701</u>
10. OTHER RECEIVABLES		
Considered good:		
- Receivable for transmission of electricity to K - Electric Limited	61,421	65,267
- Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods	25,940	25,940
- Others	2,917	770
	<u>90,278</u>	<u>91,977</u>
11. RESERVES		
General Reserves	2,991,258	2,991,258
Unappropriated profit	817,450	567,749
	<u>3,808,708</u>	<u>3,559,007</u>
12. LONG-TERM FINANCING - secured		
Long-term finances utilised under mark-up arrangements 12.1	771,259	300,000
Syndicated Term Financing under LTFF Scheme 12.2 / 12.3	3,927,323	2,341,715
Long-term finance 12.4	2,205,924	4,341,922
	<u>6,904,506</u>	<u>6,983,637</u>
Current portion of long-term financing shown under current liabilities	(1,034,438)	(999,878)
	<u>5,870,068</u>	<u>5,983,759</u>

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

For the nine months ended 31 March 2016

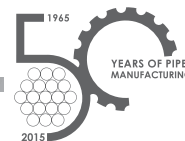
- 12.1** The above long term financing utilised under mark-up arrangement is secured by way of a mortgage on all present and future land and buildings, located at Plot Number LX-15 &16 and HX-7/4, Landhi Industrial Estate, Karachi and Survey No.402, 405-406, Dehsharabi, Landhi Town, Karachi.
- 12.2** The Syndicated term financing is obtained for plant and machinery of Cold Rolling Mill and Galvanising Plant by Subsidiary Company (ISL) and is secured by way of mortgage of land located at Survey No. 399-401 and 403-404 Landhi Town, Karachi, and joint hypothecation of all present and future fixed assets (excluding land and building) as per the terms of syndicated term financing agreement.
- 12.3** This finance is obtained by Subsidiary Company (ISL) for plant and machinery and is secured by way of first pari passu charge over fixed assets of the Subsidiary Company.
- 12.4** This finance is obtained by Subsidiary Company (ISL) from various banks for plant and machinery and is secured way of first pari passu charged over fixed assets of the Subsidiary Company.

13. DEFERRED TAXATION - net

Deferred tax liability comprises of taxable/ (deductible) temporary differences in respect of the following:

		31 March 2016 (Un-audited)	30 June 2015 (Audited)
	Note	(Rupees in '000)	
Taxable temporary differences:			
Accelerated tax depreciation		1,813,279	1,738,208
Share of profit from equity accounted investee		7,367	7,367
Surplus on revaluation of buildings		103,587	111,501
		<u>1,924,233</u>	<u>1,857,076</u>
Deductible temporary differences:			
Provision for doubtful debts		(23,977)	(9,876)
Provision for compensated absences		(2,367)	(2,533)
Unrealised exchange gain/ (losses)		(1,343.00)	(24)
Provision for Infrastructure Cess		(61,859)	(43,037)
Staff retirement benefits		(19,329)	(21,808)
Tax loss		(1,237,873)	(1,256,574)
		<u>577,485</u>	<u>523,224</u>
14. TRADE AND OTHER PAYABLES			
Trade creditors	14.1	3,144,768	1,665,097
Bills payable		-	474,754
Provision for Government Levies		409	568
Accrued expenses		1,013,888	652,504
Provision for Infrastructure Cess	14.2	585,786	508,210
Short-term compensated absences		9,400	18,759
Advances from customers		456,088	267,183
Payable against purchase of land		16,111	16,111
Workers' Profit Participation Fund		55,911	26,564
Workers' Welfare Fund		42,686	20,302
Unclaimed dividends		23,864	14,386
Unclaimed dividend attributable to non controlling interest		385	391
Others		37,120	10,538
		<u>5,386,416</u>	<u>3,675,367</u>
14.1 This includes an amount of Rs. 2,757.4 million payable to Groups's associated companies (2015: 1,197.9 million).			
14.2 Provision for Infrastructure Cess (Refer note 16.1.8)			
Opening balance		508,210	384,581
Charge for the period		77,576	123,629
Closing balance		<u>585,786</u>	<u>508,210</u>

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



For the nine months ended 31 March 2016

	Note	31 March 2016 (Un-audited) (Rupees in '000)	30 June 2015 (Audited)
15. SHORT-TERM BORROWINGS - secured			
Running finance under mark-up arrangement	15.1	3,857,207	239,820
Short-term borrowing under Money Market Scheme	15.2	2,540,000	-
Short-term running finance under Export Refinance Scheme	15.3	30,000	4,109,800
Running finance under FE-25 Import Scheme	15.4	117,836	3,181,016
Short-term finance under running Musharakah	15.5	-	6,021
Short-term finance under Murabaha and Istisna	15.5	8,134	445,589
Short-term finance under Musharaka	15.6	518,275	798,102
		<u>7,071,452</u>	<u>8,780,348</u>
15.1	The facilities for running finance under mark-up arrangements, available to the Group Entities from various commercial banks, amounted to Rs. 11,422 million (30 June 2015: Rs.3,589 million) and are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding company range from 6.39% to 8.00% per annum (2015: 7.33% to 9.45% per annum). The rates of mark-up on these finances obtained by Subsidiary Company (ISL) range from KIBOR +0.05% to KIBOR +1.75% per annum (2015: KIBOR+0.2% to KIBOR+1.75% per annum).		
15.2	The Holding Company has obtained facilities for short-term borrowing under Money Market Scheme financing from various commercial banks under mark-up arrangements amounted to Rs. 4,414 million (30 June 2015: Rs. 2,197 million). Unavailed facility as at 31 March 2016 is 1,874 million (30 June 2015: 2197 million). The rate of markup on these finances ranges from 6.45% - 6.55% per annum (30 June 2015: 6.75% - 10.62%) per annum.		
15.3	The Group Entities have borrowed short-term running finance under Export Refinance Scheme offered by the State Bank of Pakistan. The facilities availed are for an amount of Rs. 30.0 (30 June 2015: Rs.4,110 million). The rates of mark-up on these facilities range from 3.85% to 4.00% per annum (30 June 2015: 5.30% to 5.50% per annum).		
15.4	The Holding Company has borrowed short-term running finance under Foreign Exchange Circular No.25 dated 20 June 1998 from various commercial banks for the purpose of meeting import requirements. The facilities availed is for an amount of Rs.118 million (30 June 2015: Rs. 3,181 million). The rates of markup on these facilities is 4.00% per annum. (30 June 2015: 2.0% to 4.0% per annum). The facilities mature within six months and are renewable.		
15.5	The Subsidiary Company has entered into an agreement for Istisna and Murahaba financing facilities with a Islamic Bank. The aggregate amount of facility is Rs. 125 million. The unavailed facility as at 31 March 2016 is 117 million. The rate of mark-up ranges from 7.03% to 7.2% per annum.		
15.6	The Subsidiary Company has obtained Islamic Term Musharakah under Islamic financing for the purpose of meeting working requirements. It carries mark-up at the rate of KIBOR + 0.1% per annum.		
15.7	All running finances and short-term borrowing facilities availed by the Holding Company are secured by way of hypothecation of all its present and future fixed assets (excluding lands and buildings) and present and future current and moveable assets.		
15.8	The Holding Company has issued a corporate guarantee to commercial bank for securing funded and unfunded facilities of Rs.125 million each for its wholly owned Subsidiary Company IIL Stainless Steels (Private) Limited. The facilities are secured by way of hypothecation of all present and future current and moveable assets.		
15.9	As at 31 March 2016, the unavailed facilities from the above borrowings amounted to Rs.15,398 million. (30 June 2015: Rs 12,763.6 million).		

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

For the nine months ended 31 March 2016

15.10 The aforementioned facilities of the Subsidiary Company (ISL) are secured by way of joint and first pari passu charges over its current assets.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 Bank guarantees have been issued by the Holding Company under certain supply contracts and to the Collector of Customs aggregating Rs. 335.2 million (30 June 2015: Rs.125.6 million).

16.1.2 Bank guarantees have been issued by the Subsidiary Company (ISL) to Sui Southern Gas Company Limited of Rs. 226.7 million (30 June 2015: Rs. 222.7 million) as a security for supply of gas.

16.1.3 Bank guarantees have been issued by the Subsidiary Company (ISL) to Pakistan State Oil of Rs.5.5 million (30 June 2015: 2.5 million).

16.1.4 Bank guarantees have been issued by the Subsidiary Company (ISL) to Nazir High Court of Rs.2.7 million (30 June 2015: Nil).

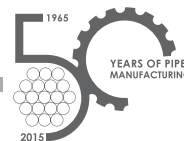
16.1.5 Custom duties amounting to Rs.52 million (30 June 2015: Rs. 156 million) on import of raw material shall be payable by the Holding Company in case of non-fulfillment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Holding Company has provided post-dated cheques to Collector of Customs which are, in normal course of business, to be returned to the Company after fulfilment of stipulated conditions. The Holding Company has fulfilled the conditions for the aforementioned amounts and is making effort to retrieve the associated post-dated cheques from the custom authorities.

16.1.6 An amount of Rs. 375 million was claimed by the customs authorities as duty rate differential on imports made by the Holding Company during 2005-10 due to an anomaly in SRO 565(1) / 2006 Serial 88. Since then, the anomaly has been rectified. The Holding Company filed a petition with the Sindh High Court in 2010 for an injunction and as is awaiting the final judgement.

16.1.7 The customs authorities have charged a redemption fine of Rs. 83 million on the clearance of an imported raw material consignment in 2006 by the Holding Company. It has filed an appeal before the Sindh High Court, which has set aside the examination reports including the subsequent order produced by the customs authorities, and ordered the authorities to re-examine the matter afresh. However, the customs authorities have filed an application for leave to appeal against the order of the High Court. The management anticipates that the chances of admission of such appeal are remote.

16.1.8 The Holding Company has reversed a provision for the levy of Infrastructure Cess amounting to Rs. 107 million in 2009 on the basis of a decision of the Sindh High Court which declared the levy of Infrastructure Cess before 28 December 2006 as void and invalid. However, the Excise and Taxation Department (the Department) has filed an appeal before the Supreme Court of Pakistan against such order. In May 2011, the Supreme Court disposed off the appeal with a joint statement of the parties that, during the pendency of the appeal, another law i.e Fifth Version came into existence which was not the subject matter of the appeal. Hence the case was referred back to the High Court with the right to appeal to the Supreme Court. On 31 May 2011, the High Court granted interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignments released upto 27 December 2006 and any bank guarantee / security furnished for consignments released after 27 December 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with the balance kept intact till the disposal of the petition. In case the High Court upholds the applicability of Fifth Version of the law and its retrospective application, the authorities are entitled to claim the amounts due under the said law with the right to appeal available to the petitioner. Bank guarantees amounting to Rs. 740.5 million (2015 : 484 million) have been provided to the Department in this regard by the Holding and Subsidiary Company. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Group on prudent basis (note 14.2).

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



For the nine months ended 31 March 2016

- 16.1.9** During the year 2014-15, Government passed a new law "Gas Infrastructure Development Cess Act 2015" by virtue of which all prior enactments have been declared infructuous. The said Act levies GID Cess at Rs. 200/MMBTU on captive power consumption effective 1 July 2011 and at Rs. 100/MMBTU on industrial connection from the date of passing of that Act. The Company has obtained a stay order on the retrospective application of the Act from the Honourable High Court of Sindh. The Group is confident of favourable outcome and therefore has not recorded provision of Rs. 483.8 million in these financial statements. However, the applicable cess has recognised after the passage of the Act.
- 16.1.10** The Holding Company has received a demand from Deputy Collector (Manufacturing Bond) aggregating Rs.82.9 million on account of Sales Tax, custom duty and withholding income tax in respect of wastage generated on raw material imported under manufacturing bond license and covers the period July 2007 to December 2010. The Holding Company on the basis of an audit being duly completed till 31 March 2009 believes no further dues were liable to be paid. The Holding Company has filed a Constitutional Petition in the Sindh High Court (SHC) which has granted interim stay on 9 December 2013. During the nine months period ended 31 March 2016, the SHC heard the petition in length and remanded the case back to the Collector Adjudication II, for fresh examination strictly in accordance with the law. There has been hearings in this matter and the Holding Company has submitted its written legal arguments and based on advice of legal counsel and merits of the case, the Holding Company is confident that the subject demand is unjustified and the matter will be decided in its favor. Subsequent to the quarter end, Custom Adjudication Authority agreed that no amount is due from the company and the charges levied against the company are not established.
- 16.1.11** Alloy steel being imported by the Holding Company from China under FTA with HS Code 7225 was under dispute whereby the Customs Authorities did not recognize the said alloy steel and cleared all such consignments under HS Code 7208 as being prime hot rolled steel coils which attracted 5% customs duty and 12.5% regulatory duty. A petition was filed in Sindh High Court for clarification of such anomaly and the Holding Company had to submit bank guarantees worth Rs. 150.6 million for 5% customs duty and 12.5% regulatory duty as per the interim order of the Sindh High Court. Since then the Sindh High Court has decided this case in favour of the Petitioners on the basis that if any consignment contains more than 0.0008% boron as inherent part of steel that the same would qualify as alloy steel which would not attract payment of any duties. The return of our bank guarantees is awaited as all our alloy steel consignments imported from China under FTA did contain more than 0.0008% boron. Subsequent to the quarter end, bank guarantees worth Rs. 21.5 million has been released and request has been forwarded by the Collectorate of Customs to the Nazir Sindh High Court to release the balance bank guarantees worth Rs. 129.1 million.
- 16.1.12** Relying upon the judgment by Peshawar High Court, Model Collectorate of Customs (MCC), Peshawar stopped exports of the Holding Company's goods to Afghanistan under the pretext that SRO 190(I)/2002 dated 02/04/2002 attracts a levy of sales tax at the rate of 17%. Subsequently the goods already in transit were held at Torkham Boarder by MCC Peshawar on the account of non-payment of 17% Sales Tax. A Constitutional Petition in the Sindh High Court (SHC) on 1/10/2015 arguing that there is no sales tax on exports to Afghanistan as the same is exempted under the manufacturing bond rules SRO 450(I)/2015. Secondly, SRO 190 was issued in 2002 and was never implemented, therefore under Section 65 of the Sales Tax Act 1990 no such liability could be raised at this stage. The SHC granted stay order whereby Holding Company was allowed to export its goods to Afghanistan subject to depositing bank guarantees worth Rs.6.2 million (i.e. value of disputed sales tax amount) before the Nazir of the SHC. On October 30, 2015 FBR issued a clarification as to the applicability of SRO 190(I)/2002 and stated that exports made to Afghanistan does not attract the levy of sales tax. The said clarification has already been filed before the SHC and disposal of the case along with return of the said bank guarantees is awaited.
- Subsidiary Company, ISL**
- 16.1.13** Section 113(2)(c) was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated 7 May 2013, whereby it was held that the benefit of carry forward of Minimum Tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than Minimum Tax. Therefore, where there is no tax payable due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability.

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

For the nine months ended 31 March 2016

The Subsidiary Company (ISL), based on legal counsel's advice considers that certain strong grounds are available whereby the aforesaid decision can be challenged in a Larger Bench of the Sindh High Court or the Supreme Court of Pakistan. A leave to appeal against the aforesaid decision has already been filed before the Supreme Court by other companies which is pending for hearing. In view of above, the Subsidiary Company is confident that the ultimate outcome in this regard would be favourable. Accumulated minimum tax liability of Rs. 219.51 million was determined for the tax years 2012 and 2013.

However based on the assessment and estimation for availability of sufficient taxable profits on the basis of 5 years projection and tax credits available to the Subsidiary Company under section 65B of the Income Tax Ordinance 2001. Accordingly, accumulated minimum tax liability amounting to Rs.714.7 million has not been recorded on the same basis in these condensed interim financial information.

16.1.14 The Group's share of associate's contingent liability is Rs.46.6 million (30 June 2015: Rs.22.6 million).

16.2 Commitments

Group

16.2.1 Capital expenditure commitments of the Group Entities outstanding as at 31 March 2016 amounted to Rs.293.3 million (30 June 2015: Rs.845 million).

16.2.2 Commitments under letters of credit established by the Group Entities for raw material and spares as at 31 March 2016 to Rs. 6,024.8 million (30 June 2015: Rs.4,209 million).

16.2.3 Commitments under purchase contracts entered into by the Holding Company as at 31 March 2016 amounted to Rs. 116.5 million (30 June 2015: Rs.117 million).

16.2.4 The unavailed facilities of the Group Entities for opening letters of credit and guarantees from banks as at 31 March 2016 amounted to Rs. 19,287.1 million (30 June 2015: 16,432 million) and Rs. 234.1 million (30 June 2015: 421 million) respectively.

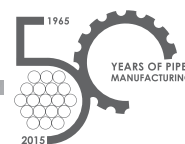
Nine months period ended		Quarter ended	
31 March 2016	31 March 2015	31 March 2016	31 March 2015

(Rupees in '000)

17. NET SALES

Local	23,883,452	21,745,061	9,895,559	8,097,305
Export	4,881,391	7,143,935	1,817,409	2,220,602
	<u>28,764,843</u>	<u>28,888,996</u>	<u>11,712,968</u>	<u>10,317,907</u>
Toll Manufacturing	2,657	523	615	523
Sales Tax	(3,613,348)	(3,268,102)	(1,491,161)	(1,216,248)
Trade discounts	(404,153)	(225,117)	(148,879)	(117,490)
Sales discount and commission	(446,536)	(359,152)	(179,353)	(104,208)
	<u>(4,464,037)</u>	<u>(3,852,371)</u>	<u>(1,819,393)</u>	<u>(1,437,946)</u>
	<u>24,303,463</u>	<u>25,037,148</u>	<u>9,894,190</u>	<u>8,880,484</u>

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



For the nine months ended 31 March 2016

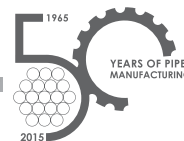
	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
18. COST OF SALES				
Opening stock of raw material and work-in-process	4,321,027	7,003,663	3,194,047	4,326,132
Purchases	18,503,241	21,366,474	8,248,873	9,333,267
Salaries, wages and benefits	790,090	665,292	236,167	230,423
Rent, rates and taxes	1,651	1,167	780	737
Electricity, gas and water	882,295	523,022	363,899	173,412
Insurance	17,697	19,756	4,276	7,149
Security and janitorial	36,017	31,801	12,170	11,462
Depreciation and amortisation	641,183	514,019	231,842	175,469
Stores and spares consumed	123,038	85,398	46,045	31,813
Repairs and maintenance	140,175	131,597	53,447	44,991
Postage, telephone and stationery	13,710	12,947	5,407	4,698
Vehicle, travel and conveyance	24,995	22,994	9,205	8,114
Internal material handling	27,426	19,699	10,731	7,351
Environment controlling expense	1,249	1,213	414	586
Sundries	10,620	6,471	5,381	2,798
Toll manufacturing charges	2,762	-	1,002	-
Stock written down to NRV	10,473	-	10,473	-
Sale of scrap generated during production	(791,561)	(740,697)	(295,491)	(317,076)
	24,756,088	29,664,816	12,138,667	14,041,327
Closing stock of raw material and work-in-process	(4,327,300)	(5,366,357)	(4,327,300)	(5,366,357)
Cost of goods manufactured	20,428,788	24,298,459	7,811,367	8,674,970
Finished goods and by-products :				
Opening stock	3,081,662	2,724,971	2,507,419	3,641,590
Closing stock	(2,063,131)	(4,071,224)	(2,063,131)	(4,071,224)
	1,018,531	(1,346,253)	444,288	(429,635)
	21,447,319	22,952,206	8,255,655	8,245,335
19. SELLING & DISTRIBUTION EXPENSES				
Freight and forwarding expenses	384,822	386,629	130,610	118,321
Salaries, wages and benefits	126,697	103,390	41,649	35,069
Rent, rates and taxes	1,765	310	390	149
Electricity, gas and water	4,383	3,877	1,166	945
Insurance	1,511	2,401	540	494
Depreciation and amortisation	11,690	7,986	4,238	2,815
Repair and maintenance	1,067	1,172	358	390
Advertising and sales promotion	27,321	19,457	10,949	9,979
Postage, telephone and stationery	6,276	4,962	2,449	2,021
Office supplies	48	41	15	23
Vehicle, travel and conveyance	21,489	12,693	6,427	3,519
Provision for doubtful debts-net	42,470	6,644	28,900	1,202
Certification and registration charges	7,246	3,625	1,563	57
Others	16,272	5,441	1,177	2,381
	653,057	558,628	230,431	177,365

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

For the nine months ended 31 March 2016

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
20. ADMINISTRATIVE EXPENSES				
Salaries, wages and benefits	198,405	161,147	61,497	55,171
Rent, rates and taxes	1,441	993	125	472
Electricity, gas and water	2,672	2,468	720	555
Insurance	2,950	789	1,731	202
Depreciation and amortisation	16,718	15,888	5,653	7,027
Repair and maintenance	873	504	290	176
Postage, telephone and stationery	8,700	6,662	2,294	2,192
Office supplies	67	37	27	23
Vehicle, travel and conveyance	7,976	9,373	3,005	3,487
Legal and professional charges	42,919	21,756	22,348	9,032
Certifications and registration charges	3,787	2,784	1,502	1,585
Directors' fees	4,710	5,290	1,350	1,740
Others	10,252	9,847	3,817	2,965
	<u>301,470</u>	<u>237,538</u>	<u>104,359</u>	<u>84,627</u>
21. FINANCIAL CHARGES				
Mark-up on:				
- Long-term financing	365,014	301,120	123,131	101,667
- Short-term borrowings	347,405	632,763	127,284	202,751
	<u>712,419</u>	<u>933,883</u>	<u>250,415</u>	<u>304,418</u>
Exchange loss on FE borrowing	140,616	272,568	3,342	92,500
Interest on Workers' Profit Participation Fund	560	317	-	-
Bank charges	17,926	14,766	6,037	4,893
	<u>871,521</u>	<u>1,221,534</u>	<u>259,794</u>	<u>401,811</u>
22. OTHER OPERATING CHARGES				
Auditors' remuneration	3,539	3,132	919	797
Loss on derivative financial instruments	10,524	-	-	-
Donations	14,890	8,400	8,000	475
Exchange loss	91,468	30,095	19,879	187
Workers' Profit Participation Fund	55,911	11,900	39,911	2,414
Workers' Welfare Fund	22,384	4,750	16,084	956
Project development expenses	3,229	5,616	3,361	2,769
Pre incorporation expenses - subsidiary	-	624	-	624
	<u>201,945</u>	<u>64,517</u>	<u>88,154</u>	<u>8,222</u>

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



For the nine months ended 31 March 2016

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
23. OTHER INCOME	(Rupees in '000)			
Income / return on financial assets				
Interest on bank deposits	1,390	1,973	455	807
Income from non-financial assets				
Income from power generation - 18MW	30,459	34,881	10,594	14,809
Income from power generation - 4MW	55,459	44,184	18,546	14,920
Gain on disposal of property, plant and equipment	38,508	21,568	12,084	8,432
Rental income	1,849	1,287	811	429
Exchange gain	29,116	75,629	11,384	22,500
Others	20,621	22,702	7,215	2,912
	<u>177,402</u>	<u>202,224</u>	<u>61,089</u>	<u>64,809</u>
24. TAXATION				
Current				
for the year	167,712	120,588	55,623	46,824
Deferred	54,261	(72,287)	280,986	(42,833)
	<u>221,973</u>	<u>48,301</u>	<u>336,609</u>	<u>3,991</u>

25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associate entities, directors of the Holding Company and its Subsidiary companies, key management employees and staff retirement funds. The Group Entities continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Contributions to the defined contribution plan (Provident Fund) are made as per the terms of employment and contributions to the defined benefit plan (Gratuity Scheme) are in accordance with actuarial advice. Remuneration of key management personnel is in accordance with their terms of engagement and company policy. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim consolidated financial information, are as follows:

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
Transactions with related parties				
Associated companies				
Sales	1,204,781	422,043	526,273	124,395
Purchases	7,494,115	9,891,283	3,641,945	3,582,222
Purchase of vehicle	-	8,621	-	6,838
Insurance premium expense	37,581	34,195	6,601	8,021
Insurance claim / adjustments	4,180	74,127	2,848	1,706
Rental income	1,489	1,287	631	429
Rent paid	2,593	-	1,323	-
Donations paid	-	1,000	-	-
Dividend paid	20,573	21,177	6,594	8,753
Dividend received	7,278	10,917	-	-
Sales commission expense	-	1,680	-	756
Participation fee	50	216	10	117
Marketing services	1,751	-	1,751	-
Mark-up expenses	11,815	-	3,321	-
Rent income	180	-	180	-

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

For the nine months ended 31 March 2016

	Nine months period ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in '000)			
Associated person				
Sales commission expense	446	3,725	-	1,763
Key management personnel and their spouses				
Remuneration	240,899	238,566	79,339	80,552
Staff retirement benefits	5,360	4,205	2,291	1,453
Staff retirement benefit plans				
Contribution paid	71,266	48,676	23,166	16,346
Non-executive directors' fees	4,710	5,290	1,350	1,740
Balances with related parties			31 March 2016	30 June 2015
			(Rupees in '000)	
Trade debts				
Sui Southern Gas Company Limited			-	126
Sui Northern Gas Pipelines Limited			222,389	-
Pakistan Cables Limited			-	830
Indus Motor Company Limited			3,563	-
Doogood Enterprises (Pty) Limited			60,182	37,254
Greaves Pakistan (Pvt) Limited.			27	-
Sumitomo Corporation			38,200	-

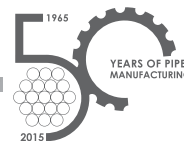
26. SEGMENT REPORTING

The Group Entities have identified Steel Coils & Sheets, Steel Pipes and Plastic Pipes as three reportable segments. Performance is measured based on respective segment results. Information regarding the Group Entities' segments is presented below.

26.1 SEGMENT REVENUE AND RESULTS

	Steel Coils & Sheets	Steel Pipes	Plastic Pipes	Total
	(Rupees in 000)			
For the nine months period ended 31 March 2016				
Sales	13,009,699	10,070,036	1,223,728	24,303,463
Cost of sales (excluding depreciation)	11,228,240	8,559,110	1,018,786	20,806,136
Depreciation	464,198	156,064	20,921	641,183
Gross Profit	<u>1,317,261</u>	<u>1,354,862</u>	<u>184,021</u>	<u>2,856,144</u>
For the nine months period ended 31 March 2015				
Sales	12,833,971	11,595,558	607,619	25,037,148
Cost of sales (excluding depreciation)	11,541,508	10,354,201	542,478	22,438,187
Depreciation	343,316	150,595	20,108	514,019
Gross Profit	<u>949,147</u>	<u>1,090,762</u>	<u>45,033</u>	<u>2,084,942</u>

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



For the nine months ended 31 March 2016

Reconciliation of segment results with profit after tax is as follows:

	Nine months period ended	
	31 March 2016	31 March 2015
	(Rupees in '000)	
Total results for reportable segments	2,856,144	2,084,942
Selling, distribution and administrative expenses	(954,527)	(796,166)
Financial charges	(871,521)	(1,221,534)
Other operating expenses	(201,945)	(64,517)
Other operating income	177,402	202,224
Share of profit in equity-accounted investee - net of tax	11,674	15,530
Taxation	(221,973)	(48,301)
Profit after tax	795,254	172,178

26.2 SEGMENT ASSETS & LIABILITIES

	Steel Coils & Sheets	Steel Pipes	Plastic Pipes	Total
	(Rupees in 000)			
As at 31 March 2016 - Un-audited				
Segment assets	<u>16,949,195</u>	<u>9,153,934</u>	<u>719,358</u>	<u>26,822,487</u>
Segment liabilities	<u>12,200,253</u>	<u>5,158,383</u>	<u>546,037</u>	<u>17,904,673</u>
As at 30 June 2015 - Audited				
Segment assets	<u>17,310,456</u>	<u>8,934,099</u>	<u>655,389</u>	<u>26,899,944</u>
Segment liabilities	<u>12,728,415</u>	<u>5,402,757</u>	<u>399,702</u>	<u>18,530,874</u>

Reconciliation of segment assets and liabilities with total assets and liabilities in the balance sheet is as follow:

	31 March 2016 (Un-audited)	30 June 2015 (Audited)
	(Rupees in '000)	
Total reportable segments assets	26,822,487	26,899,944
Unallocated assets	3,209,181	2,977,335
Total assets as per Balance Sheet	<u>30,031,668</u>	<u>29,877,279</u>
Total reportable segments liabilities	17,904,673	18,530,874
Unallocated liabilities	2,315,482	1,882,797
Total liabilities as per Balance Sheet	<u>20,220,155</u>	<u>20,413,671</u>

27. GENERAL

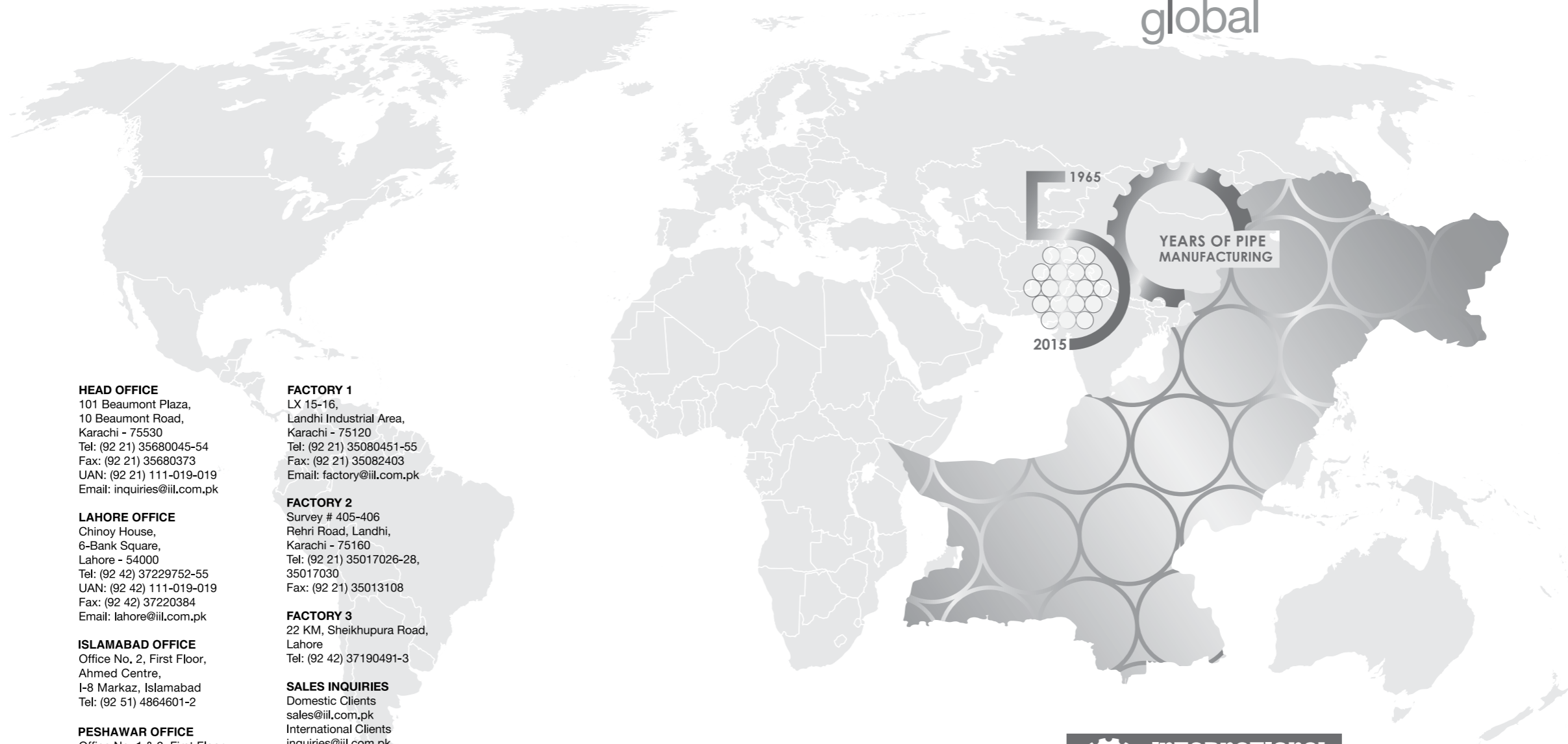
27.1 This condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Holding Company on 25 April 2016.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial
Officer

Riyaz T. Chinoy
Chief Executive
Officer

local
global



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Un-audited Financial Statements
Third Quarter ended March 31, 2016