

STANDING STRONG



Promising Reliability, For Now and Tomorrow

ANNUAL REPORT 2023



ANNUAL REPORT 2023

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

ABOUT THE REPORT

We are pleased to present our Annual Report for the year ended June 30, 2023. The objective of this report is to provide all stakeholders with a transparent and balanced appraisal of the material events and challenges that the business faced during the year under review. This report should be read in conjunction with the full financial statements.

Scope and Limitation of This Report

This annual report is for the period from July 1, 2022 to June 30, 2023 and provides an account of the Company's operational, financial, social, economic and environmental performance as well as corporate governance.

Annual Financial Statements

These financial statements are also available on our website (www.iil.com.pk) and provide a detailed insight into the financial position of the Company for the period under review.

Forward-Looking Statements

This report contains certain 'forward-looking statements' which are related to the future. These statements include known and unknown risks and opportunities, uncertainties and important factors that could turn out to be materially different from current expectations following the publications of these results. These statements are as of the date of this document. The Company undertakes no obligation to update publicly or release any provisions pertaining to these forward-looking statements.

Feedback

We value the feedback of our stakeholders and use it to continuously improve our reporting and to ensure that we are sharing information about matters relevant to them. Feedback is welcomed at investors@iil.com.pk

KEY PERFORMANCE HIGHLIGHTS



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75th Annual General Meeting

 Karachi at the Beach Luxury Hotel
and via Video Conferencing

 Wednesday, September 27, 2023
at 10:30 am



ABOUT THE THEME

STANDING STRONG

ILL continues to stand firmly in the face of economic storms despite coming across strong headwinds, fueled by a legacy of resilience and an unwavering pursuit of corporate excellence to propel us forward. With a promising export heritage, strong international presence, and a solid foothold in noteworthy markets, we skillfully navigate through turbulent times using calculated strategies and prompt countermeasures. ILL confidently steers its path towards success, seizing every opportunity amidst the ever-shifting landscape, backed by 75 years of expertise and an unwavering commitment to staying reliable throughout.

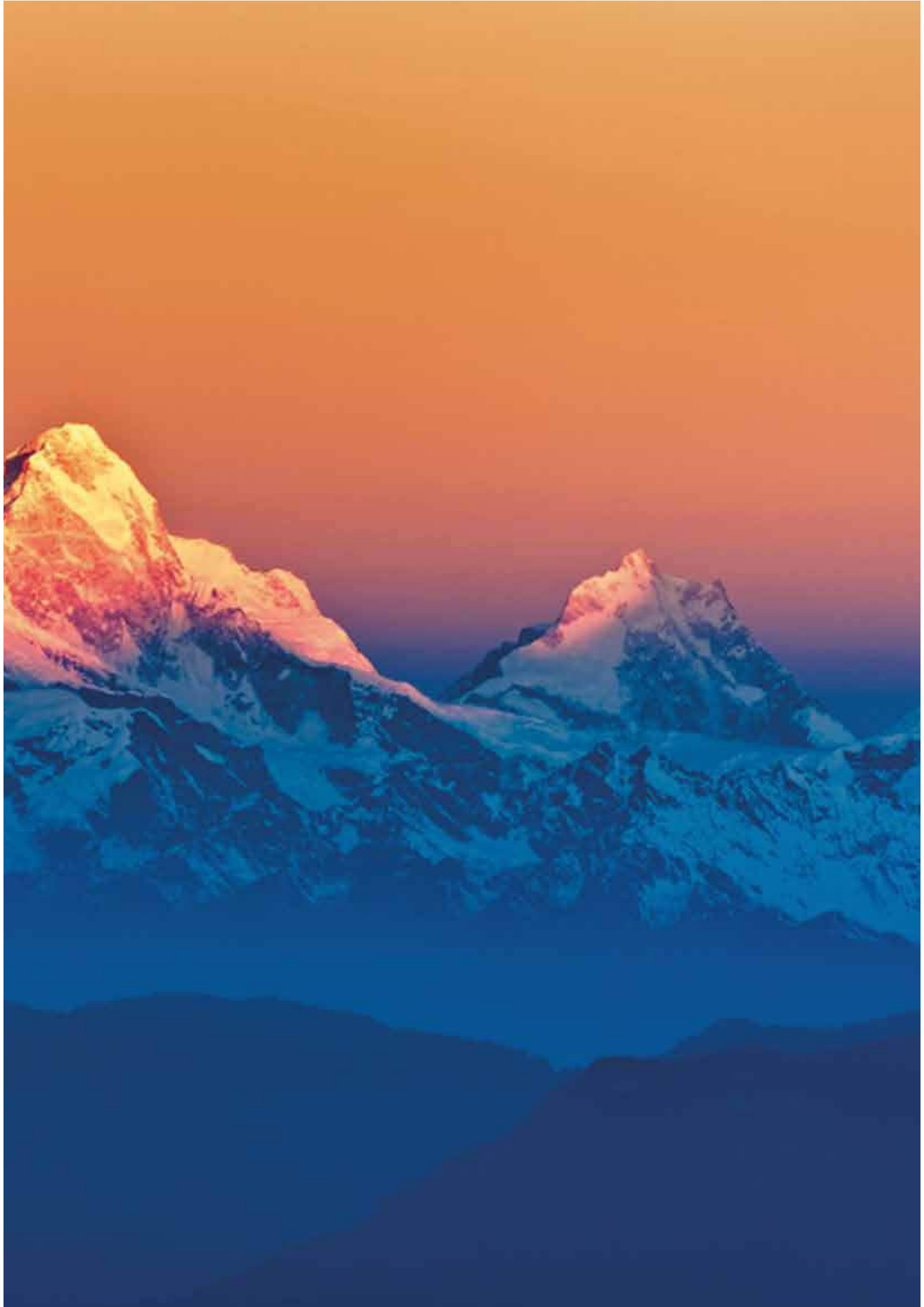


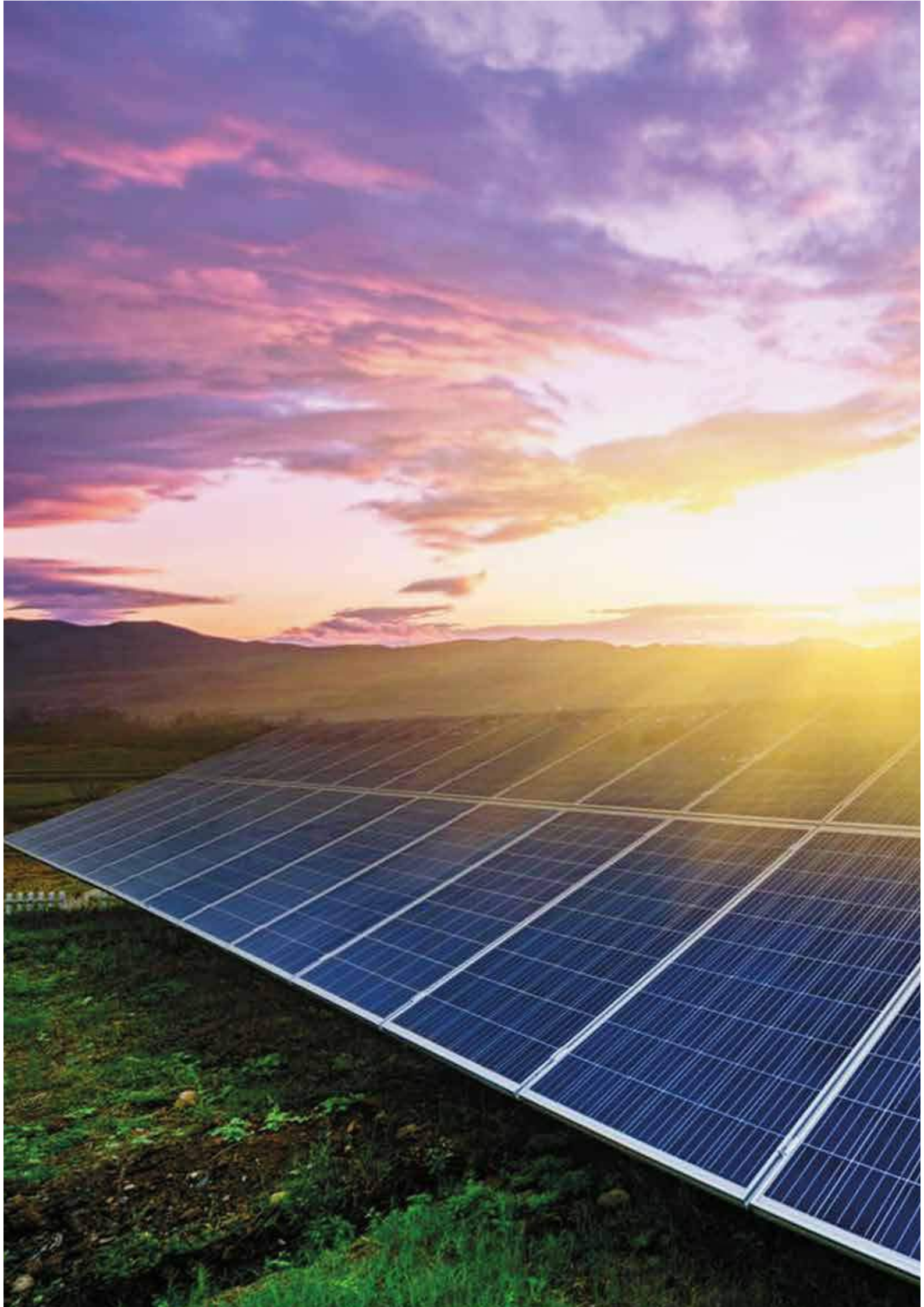


A PROGRESSIVE OUTLOOK **PEAK OF INNOVATION AND RESOLVE**

With a keen focus towards on the future, ILL views challenges as possibilities for growth. Our innovative approach and steadfastness in the face of adversity guide our mission to scale uncharted summits of achievements.

This outlook is our strategic prowess to ascend the heights of ingenuity, break barriers and explore new horizons.





An aerial photograph of a vast solar farm. The rows of solar panels stretch far into the distance, creating a strong sense of perspective. The sky is filled with soft, colorful clouds in shades of purple, pink, and orange, indicating a sunset or sunrise. The sun is low on the horizon, casting a warm glow over the entire scene. The solar panels are dark blue with a grid of silver lines.

A CONCERN FOR ENVIRONMENT **ENERGIZED BY EXCELLENCE**

At IIL, we're committed to efficiency and conscious of impact in all our operations. With a profound concern for the environment, we deploy natural resources that not only minimize our carbon footprint but also pave the way for a greener Pakistan.

Our efforts are fueled by a relentless pursuit of excellence to build a brighter, cleaner and more sustainable tomorrow.

COMPANY PROFILE

International Industries Limited (IIL) is a world-class manufacturer of steel & polymer pipes, tubes and fittings.

With a strong focus on innovation, quality, and sustainability, IIL is proud to be the market leader in Pakistan and a notable player in the global market.

Founded in 1948, IIL's history is deeply intertwined with Pakistan's industrial growth. The company is publicly listed on the Pakistan Stock Exchange and possesses a substantial equity of PKR 15.2 billion. With an annual revenues of PKR 27 billion (USD 88 million). IIL has been consistently ranked among Pakistan's Top 25 Companies for 15 years.

IIL is a member of the Amir S. Chinoy (ASC) Group, known for its ethics, industrial excellence, and innovation. The Group also consists of:

INTERNATIONAL STEELS LIMITED (ISL): Pakistan's largest manufacturer of cold rolled, galvanized, and color-coated steel coils and sheets. ISL has an annual manufacturing capacity of over 1 million tons and annual revenues of PKR 77 billion

PAKISTAN CABLES LIMITED (PCL): Pakistan's largest manufacturer of electrical cables, wires, copper rods, PVC compounds, and aluminum sections. PCL is a household brand name with annual revenues of PKR 22 billion.

IIL's global presence is dominated by its strategic subsidiaries:

IIL AUSTRALIA PTY LIMITED: IIL's wholly-owned Australian subsidiary which represents the Group's interest in the Asia-Pacific region with annual revenues of AUD 23 million (USD 14 million)

IIL AMERICAS INC.: IIL's wholly-owned subsidiary, situated in Toronto, with a focus on representing the Group in North America and annual revenues of CAD 16 million (USD 12 million)

IIL's global reach extends through its exports to over 60 countries on 6 continents, resulting in the 'FPCCI Export Performance Award' for 23 consecutive years. This consistent achievement underscores IIL's commitment to quality in the international market.

IIL is a proud recipient of numerous prestigious awards and accolades, including the 'Corporate Excellence Award' from the Management Association of Pakistan, the 'Environment Excellence Award' from the National Forum for Environment & Earth, and the 'OHSE Award' from the Employers Federation of Pakistan. These awards highlight IIL's commitment to excellence.

In testament to its commitment to excellence, IIL is certified to ISO 9001, ISO 14001, ISO 45001, API 5L, PSQCA, UL, and CE, confirming its adherence to rigorous international standards. Notably, IIL is the first Pakistani company to attain ISO 45001 certification by Lloyds Register Quality Assurance.

With a strong legacy as a responsible corporate citizen, IIL maintains a focus on community development and ESG best practices. IIL is proud to be a champion of the UN Sustainable Development Goal (SDG) 7 'Affordable & Clean Energy for All' and has substantially converted its own energy requirements to renewable sources.

IIL's industry leadership is reinforced through memberships in esteemed associations like the International Tube Association (ITA), the Galvanizers Associations of Australia (GAA), the Australian Wire Industry Association (AWIA), Canadian Fence Association (CFA), and key Pakistani industrial bodies. Accreditation as an Australian Trusted Trader (ATT) & by the Australia Border Force (ABF) underscores IIL's dedication to international standards and integrity.

For more insights into IIL's legacy of innovation and reliability, please visit www.iil.com.pk.



COMPANY INFORMATION

Chairman (Non-Executive)

Mr. Kamal A. Chinoy

Independent Directors

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

Non-Executive Directors

Mr. Mustapha A. Chinoy
Mrs. Selina R. Khan

Chief Executive Officer

Mr. Sohail R. Bhojani

Chief Financial Officer

Mr. Muhammad Akhtar

Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

Chief Internal Auditor

Mr. Muhammad Atif Khan

External Auditors

M/s A.F. Ferguson & Co.

Bankers

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

Legal Advisor

KMS Law Associates

National Tax Number

0710735-8

Sales Tax Registration Number

02-04-7306-001-82

Registered Office

101, Beaumont Plaza, 10, Beaumont Road,
Karachi - 75530, Pakistan
Telephone: +9221-35680045-54
UAN: 021-111-019-019
E-mail: investors@iil.com.pk
Website: www.iil.com.pk

Lahore Office

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

Rawalpindi Office

2nd Floor, Khyber Heights, Rafi
Commercial, Bahria Town Phase 8
Rawalpindi, Pakistan

Multan Office

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

Faisalabad Office

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

Peshawar Office

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

IIL Construction Solutions (Pvt) Ltd.

101, Beaumont Plaza, 10, Beaumont Road,
Karachi - 75530, Pakistan
Telephone: +9221-35680045-54
Website: www.iil.com.pk

IIL Australia Pty Limited

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

IIL Americas Inc.

Suite 210 - 5800 Ambler Drive,
Mississauga, ON L4W4J4, Canada
Website: www.iilamericas.com

Factory 1

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

Factory 2

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

Factory 3

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

Investor Relations Contact

Shares Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block "B", S.M.C.H.S,
Shahrah-e-Faisal, Karachi, Pakistan
Telephone: +92-080023275
FAX: +9221-34326053
E-mail: info@cdcsrsl.com
Website: www.cdcsrsl.com

BUSINESS AT A GLANCE

Principal Business Activities

ILL is engaged in the manufacture, marketing and sale of steel pipes and tubes, stainless steel tubes and polymer pipes and fittings.

ILL's Constructions Solutions division provides innovative products & services for the construction industry i.e, Scaffolding (tube & clamp, ringlock and frames & brace), Shoring and Formwork solutions.

Key Markets

The Company is the market leader in Pakistan with sales across the nation. Its domestic operations are geographically divided into 18 regions representing the country's largest urban centers.

Additionally, ILL is also Pakistan's largest exporter of pipes and tubes with a widespread export footprint spanning 60 countries across 6 continents.

ILL's key export markets are, Australia, North America, Europe. UK, Southeast Asia and Middle East.

Key Products

ILL is widely recognised as Pakistan's leading brand of pipes and tubes across various product segments.

These comprise of:

- 1. Steel Pipes & Tubes**
- 2. Stainless Steel Tubes**
- 3. Polymer Pipes & Fittings**
- 4. Scaffolding & Formwork Solutions**







**STEEL PIPES
& TUBES**

STEEL PIPES & TUBES



III Galvanized Iron (GI) Pipes

III GI pipes are corrosion and rust resistant pipes that are ideal for the transmission of potable water, natural gas, oil and other fluids. They are also used in fencing, hand pumps, low cost shelters and general fabrication.

They are certified to European Conformity Standards (CE) and are manufactured in accordance with the highest applicable international standards (BS EN 10255: 2004, ASTM A53, ASTM A795, EN39, SLS829:2009, AS 1074, AS 4792).

They are available in nominal diameters from 15mm (1/2") to 200mm (8") and in thicknesses ranging from 1.60mm to 5.40mm.

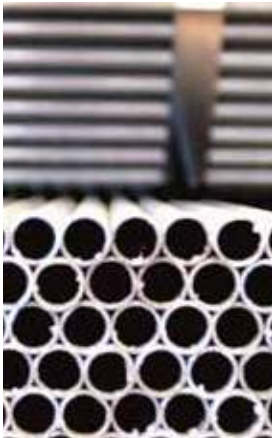


III Hollow Structural Sections (HSS)

III HSS are ideal for construction of buildings, bridges, pedestrian walkways, stadiums and many other structures.

They are made in accordance with the highest applicable international quality standards (BS EN 10219, ASTM A53, A500 & A252).

They are available in round, square and rectangle shapes with thicknesses ranging from 1.65mm to 12.70mm.



III Cold Rolled (CR) Steel Tubes

III CR steel tubes are predominantly used in the automotive, motorcycle, bicycle and transformer industries and in the manufacturing of fans, furniture, tents and other mechanical and general engineering items.

They are certified to European Conformity Standards (CE) and are manufactured in accordance with the highest applicable international standards (BS 1717: 1983, BS EN 10305-3: 2010, BSEN 10305-5: 2010 and EN 10296-1:2003).

They are available in round, square, rectangle, oval and elliptical shapes in various sizes with thicknesses ranging from 0.6mm to 2.00mm.



III Scaffolding Pipes

III's high strength scaffolding pipes can be applied for scaffolding use in all types of construction projects.

They are manufactured in accordance with BS EN 39:2001 which is the highest applicable international quality standard for such pipes.

They are available in galvanized and black forms with an outer diameter of 48.3mm in Type 2,3 and 4.



IIL Firefighting Pipes

IIL firefighting pipes are ideal for specialized water transmission (high pressure, chemical liquids, extreme temperature steam, water and gas).

They are certified to European Conformity Standards (CE) and Underwriters Laboratories (UL) and are manufactured in accordance with the highest applicable international standards (ASTM A53 Sch. 40 Grade A and B and ASTM A795).

They are available in nominal diameters of 1/2" to 12" with thicknesses ranging from 2.77mm to 10.31mm.



IIL Pre-Galvanized (PG) Tubes

IIL PG tubes have a variety of uses in general fabrication including fence framework and are manufactured in accordance with BS EN10305-3.

They are available in round, square and rectangle shapes and thicknesses ranging from 0.8mm to 1.50mm.



IIL CRS Tubes

IIL CRS tubes are ideal for straight use and are most commonly used in the fabrication of gates, grills, railings, light bedsteads and other furniture.

They are available in various thicknesses ranging from 0.9mm to 1.8mm.

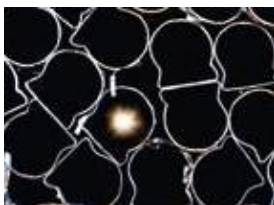


IIL American Petroleum Institute (API) Line Pipes

IIL API Line pipes are used in the distribution of natural gas and petroleum.

They are available in PSL1 and PSL2 specification made in accordance with API Monogram and API Specification under license 5L-0391 and 5L-1104.

They are available in diameters ranging from 3/4" to 12 3/4" with lengths ranging from 6m to 12.20m.



IIL L-T-Z-D Profiles

IIL L-T-Z-D profiles are used in the fabrication of doors, windows, gates and railings.

These profiles are available in various sizes with thicknesses ranging from 0.70mm to 1.20mm.





**STAINLESS
STEEL TUBES**

STAINLESS STEEL TUBES



IIL Forza (SS Grade 400 Series)

IIL Forza tubes are manufactured for use in automotive exhausts, trims, frames and mufflers as well as home hot water systems.

IIL Forza tubes are manufactured in accordance with ASTM A240 and A554.

They are available in diameters ranging from 12.0mm to 63.50mm with thicknesses ranging from 0.8mm to 1.5mm.



IIL Cosmo (SS Grade 300 Series)

IIL Cosmo tubes are rust resistant, premium stainless steel tubes that can be used in a variety of ornamental applications.

IIL Cosmo tubes are made in accordance with ASTM A240 & A554 and JIS G-4305. They are available in round, square and rectangle shapes in various sizes with thicknesses ranging from 0.8mm to 1.5mm. These tubes are available in bright, satin/euro and hairline surface finish.

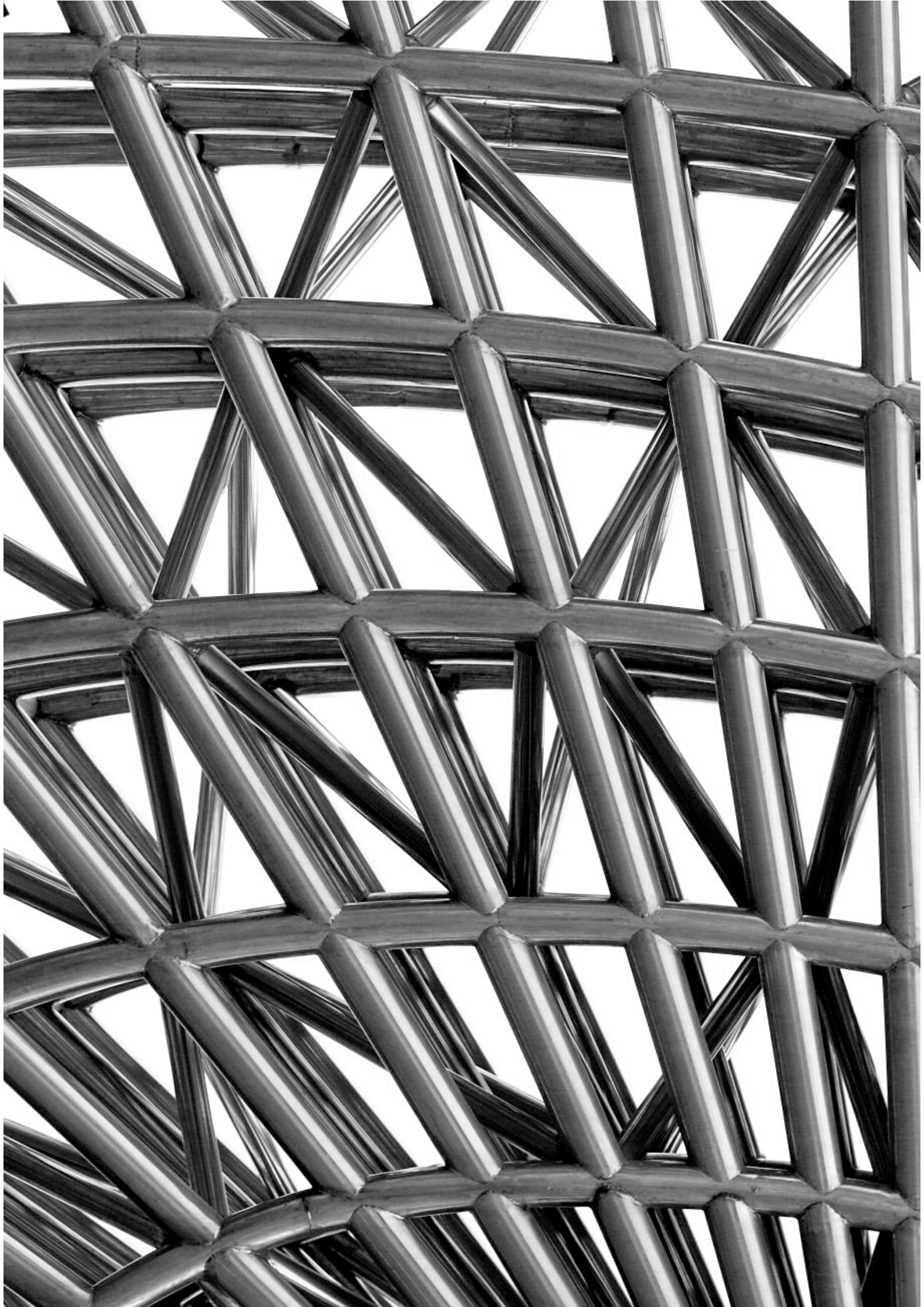


IIL Eonic (SS Grade 200 Series)

IIL Eonic tubes are economical grade stainless steel tubes that can be used in indoor applications and non-coastal environments.

IIL Eonic tubes are made in accordance with ASTM A240 and A554, JIS G-4305.

They are available in round, square and rectangle shapes in various sizes with thicknesses ranging from 0.8mm to 1.5mm. These tubes are available in bright, satin/euro and hairline surface finish.







**POLYMER PIPES
& FITTINGS**

POLYMER PIPES & FITTINGS



IIL PPRC Pipes & Fittings

IIL PPRC pipes and fittings are ideal for transmission of hot and cold water in all residential, commercial and industrial settings.

IIL PPRC pipes and fittings are manufactured in accordance with the highest applicable quality international standards (DIN 16962, DIN 8077, DIN 8078). They are the only PSQCA certified PPRC pipes and fittings in Pakistan.

These pipes are available in PN-16, PN-20 and PN-25 with diameters ranging from 20mm to 110mm and thicknesses ranging from 2.8mm to 18.3mm, this being the widest range of PPRC pipes in Pakistan.



IIL UPVC Pipes & Fittings

IIL UPVC Pipes & Fittings are excellent at fulfilling the needs of customers for sewerage, soil, waste, and vent systems. IIL UPVC Pipe & Fittings are especially designed and manufactured keeping in mind customer needs and expectations and are manufactured on state of the art automatic machinery with standardized raw material formulations.

They are available in Medium Grades M, G1, G2, and G3 with diameters ranging from 2 inch to 8 inch and thicknesses ranging from 1.6mm to 5mm. IIL UPVC fittings are available from 2 inch to 6 inch.

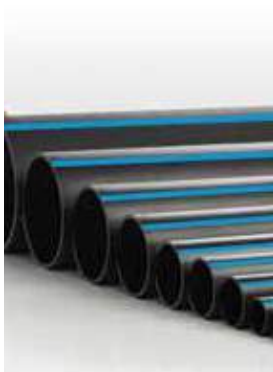


IIL MDPE Gas Pipes

IIL MDPE gas pipes are used for distribution of natural gas, Liquefied Petroleum Gas (LPG) and other gaseous fuels.

IIL MDPE gas pipes are made in accordance with the highest applicable quality international standards (BGC/PS/PL2: Part 1, ISO 4437 and ASTM D-2513).

They are available in PE-80 and PE-100 and SDR 7-17.6, with diameters ranging from 20mm to 250mm and thicknesses ranging from 1.0mm to 22.7mm.



IIL HDPE Water Pipes

IIL HDPE water pipes are used in municipal and industrial applications and provide a safe and corrosion free piping system for transporting potable water and other liquids.

IIL HDPE water pipes are made in accordance with the highest applicable quality standards (DIN 8074/75, ISO 4427) and are PSQCA certified.

They are available in Grade-80 (PN 08), Grade-100 (PN 08, PN 10, PN 12.5, PN 16 and PN 20) with diameters ranging from 20mm to 1600mm and thicknesses ranging from 1.9mm to 94.1mm. At 1600mm in diameter, IIL manufactures the largest HDPE pipe in Pakistan.



IIL HDPE Duct Pipes

IIL HDPE duct pipes are used to provide a ducting sheath for fiber optic and telecom cables.

IIL HDPE duct pipes are made in accordance with the highest applicable quality international standards (ASTM D638, ISO 1183, ASTM F-2160, ISO 2505, Bell Core GR-456).

They are available in diameters ranging from 12mm to 250mm with thicknesses ranging from 1.9mm to 27.9mm.

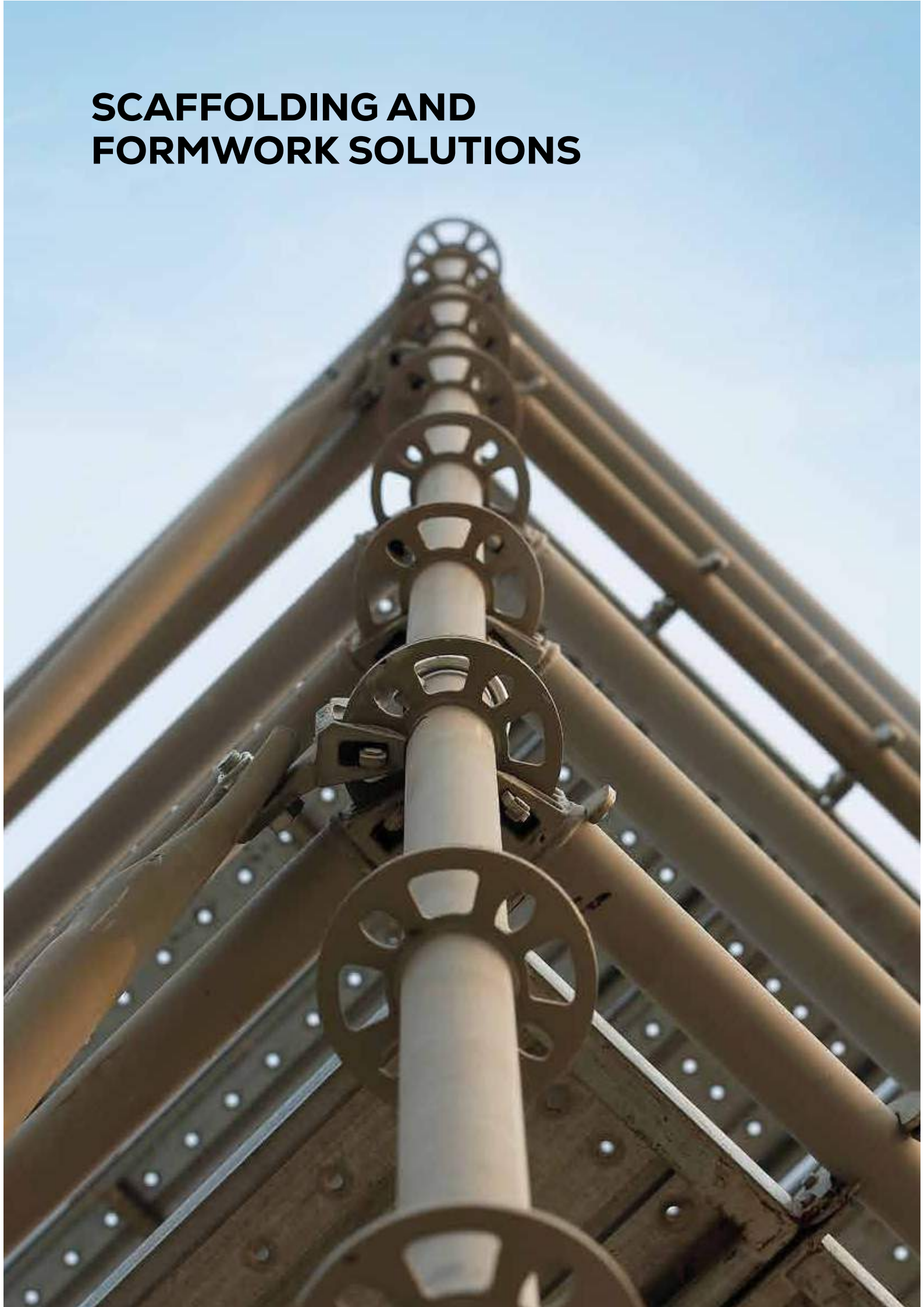


IIL HDPE CorruDuct Pipes

IIL HDPE CorruDuct pipes are corrugated structural wall duct with the advantages of light weight and high flexibility. They are used to provide a ducting sheath for fiber optic and telecom cables.

IIL HDPE CorruDuct pipes are made in accordance with the highest applicable quality international standards (ASTM D638, ISO 1183, ASTM F-2160, ISO 2505, Bell Core GR-456). These pipes are available in diameters ranging from 20mm to 50mm with thicknesses ranging from 0.4mm to 1.0mm.

SCAFFOLDING AND FORMWORK SOLUTIONS



SCAFFOLDING AND FORMWORK SOLUTIONS



Ringlock Scaffolding

ILL's Ringlock Scaffolding solution is ideal for high-rise structures and heavy construction loads. The scaffolding is quick to erect and dismantle compared to conventional scaffolding. Its rosette allows up to four braces and four horizontal attachments providing excellent frame-body stability.



Frame & Brace Scaffolding

ILL's Frame & Brace Scaffolding solution is the fastest system to set up compared to others. It's lightweight and easy to handle, making it less labor-intensive. Additionally, users can easily convert it to a mobile scaffolding for use in various applications.



Shoring Props

ILL manufactures telescopic steel shoring props with a sturdy nut and pin arrangement in the middle for easily adjusting their length. This system is a cost-effective way to provide strong support without requiring expensive labor or taking up too much time.



Formwork Solution

ILL serves as the authorized distributor of MEVA Formwork Systems in Pakistan. Through this partnership, ILL provides top-notch modular formwork systems to construction projects in Pakistan, enabling fast and effortless installation of the material and timely completion of the project work on site.

Official Formwork Partner



VISION

To be a globally respected, innovative and entrepreneurial company, enriching lives while remaining focused on providing competitive quality products and services.

MISSION

International Industries Limited is a customer-focused, quality-conscious company committed to economies of scale. IIL shall continually endeavour to enhance the effectiveness of its quality, environmental and occupational health & safety management systems. It is committed to be an ethical company at all times and shall conform to all applicable legal requirements, and endeavour to fulfill and exceed the expectations of all stakeholders.

Teamwork, continuous improvement, waste reduction, protection of the environment, improvement in safety practices, a fair return to shareholders and fulfillment of social responsibility shall be the hallmark of all activities.

VALUES

Our values define how we do business and interact with our colleagues, partners, customers, consumers and other stakeholders.

Our core values are:

Ethics | Excellence | Fairness | Innovation | Reliability |
Respect | Responsibility



ETHICS, CULTURE AND VALUES

At IIL, we take pride in uncompromising integrity through each individual's effort towards a quality product for our customers and fairness in our dealings with all stakeholders.



ETHICAL

IIL is honest and ethical in its dealings at all times through compliance with applicable laws and regulations.



EXCELLENCE

IIL endeavours to exceed the expectations of all stakeholders.



FAIRNESS

IIL believes in fairness towards all stakeholders.



INNOVATION

IIL encourages its employees to be creative and seek innovative solutions.



RELIABILITY

IIL has established itself as a reliable and dependable business partner and a preferred supplier of choice.



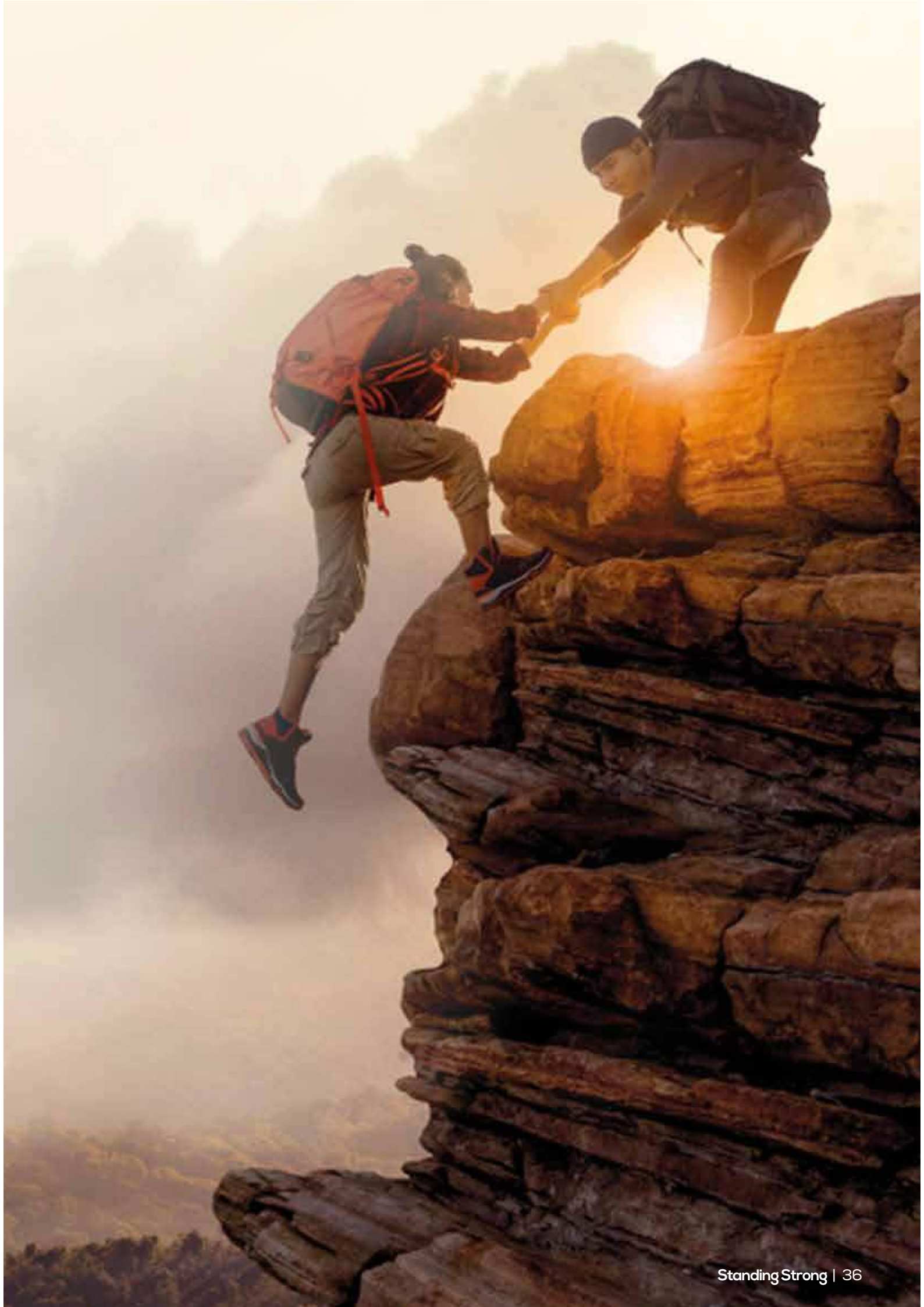
RESPECT

IIL values the self-esteem of all stakeholders, be they employees, suppliers, customers or shareholders.



RESPONSIBILITY

IIL considers health, safety and care for the environment an integral part of its activities and way of life.



AMIR S. CHINYOY GROUP

The Amir S. Chinoy Group (ASC Group) has been at the forefront of Pakistan's industrial development since the founding of the country 75 years ago. Our founder, Mr. Amir S. Chinoy, a pioneer of industrialization in Pakistan, laid the foundation of the ASC Group by setting up manufacturing concerns in heavy chemicals (Pak Chemicals Ltd, 1951), steel, and galvanized pipes (International Industries Limited, 1948) and electrical wires and cables (Pakistan Cables Limited, 1953). His commercial interests also extended to trading, electrical contracting, and the representation of major European and international companies in South Asia. As flag bearers of determination and innovation, the group later invested in a green field project for the manufacture of Cold Rolled, Galvanized and Colour Coated steel coils and sheet (International Steels Limited, 2007).

Today, the ASC Group is one of the leading industrial groups in Pakistan with proven expertise in manufacturing, trading, and industrial services. The Group companies enjoy a credible export pedigree with combined export revenues in excess of Rs. 18 billion. The ASC Group growing global footprint is further represented by an on-ground presence in Australia and Canada through its wholly owned subsidiaries IIL Australia Pty. Ltd. and IIL Americas Inc. which collectively contribute Rs. 8 billion in export revenues.

In Pakistan, the ASC Group has an extensive distribution network through 1600+ outlets in over 500 cities and towns across the country.

The broad range of products manufactured by the Group companies includes:

- Cold Rolled Steel
- Galvanized Steel
- Colour Coated Steel
- Steel Pipes (CR, HR, Galvanized, Stainless Steel)
- Polymer Pipes (UPVC, PPRC, PE)
- Hollow Structural Sections (Steel)
- Scaffolding Systems and Formwork
- Electric Wires & Cables (LV & MV)
- Electric Overhead Conductors of Aluminium & Copper
- Special Cables
- PVC Compound
- Copper Rod
- Wiring Accessories
- Extruded Aluminium Sections for Architectural Applications

ASC Group companies have attached international equity partners of repute, which have further enriched technical expertise and best practices across its companies. Leading equity partners, the ASC Group has been associated with include:

- British Insulated Callender's Cable (BICC), UK
- Doogood Australia, Australia
- General Cables, USA
- JFE Steel Corporation, Japan
- MEVA Formwork Systems, Germany
- Sumitomo Corporation, Japan
- International Finance Corporation (IFC), USA



GROUP HIGHLIGHTS



125

PKR in Billion
Sales Turnover



31.4

PKR in Billion
Market Capitalisation



26

PKR in Billion Contribution
to National Exchequer



18

PKR in Billion
Export Sales



380,361

(Metric Tons)
Total Metals Produced



70

Years of
Production



2,513

Number of Employees



60

Number of Export
Destinations (including
USA, Canada, Europe)



1,600

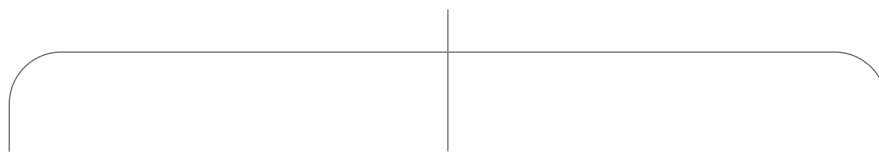
Number of Dealers/
Distributors



500

Geographical
Footprint in Pakistan
(Cities and Towns)

MEMBER COMPANIES



Incorporated in 1948
Listed on PSX since 1984
Credit Rating AA/A-1

PRODUCTS

Steel Pipes and Tubes
Polymer Pipes and Fittings
Stainless Steel Tubes
Scaffolding and Formwork Solutions



**2023
TURNOVER
PKR 26 BILLION**



Incorporated in 1953
Listed on PSX since 1955
Credit Rating A/A-1

PRODUCTS

Wires and Cables
Conductors, Alumex
Wiring Accessories
Copper Rod, PVC Compounds



**2023
TURNOVER
PKR 22 BILLION**



Incorporated in 2007
Listed on PSX since 2011
Credit Rating A+ /A-1

PRODUCTS

Cold Rolled Steel
Hot Dip Galvanized Steel
Color Coated Steel



**2023
TURNOVER
PKR 77 BILLION**

GROUP EVENT HIGHLIGHTS



ASC Group Participated in IAPEX 2022, Karachi.



Group Companies' Leadership Team at the MAP Annual Convention 2022.

GROUP EVENT HIGHLIGHTS



ASC Group Cricket Team at the 12th edition Super Challenger Premier League.



9th Amir Sultan Chinoy Memorial Cricket Tournament 2022 held in Karachi.



One Group. Three Wins.

Winners of Pakistan Stock Exchange Top 25 Best Companies Award 2021

The ASC Group member companies, which include International Industries Ltd., Pakistan Cables Ltd. and International Steels Ltd., have been recognized by the Pakistan Stock Exchange (PSX) for their commendable performance and business practices.



DOMESTIC PRESENCE

IIL is headquartered in Karachi. Two production facilities are located in Karachi whereas a third one is located in Sheikhpura.

IIL's regional offices are spread across all major Pakistani urban centers including:

- Karachi
- Lahore
- Rawalpindi
- Peshawar
- Faisalabad
- Multan

We have the largest dealer network in the industry comprising

500 dealers & distributors across 150 cities in Pakistan.





GLOBAL PRESENCE



● OFFICES 📍 FACTORIES ★ SALES REGIONS

Global Subsidiaries:

 **IIL AUSTRALIA
PTY LIMITED**
Promising Reliability, for Now and Tomorrow

 **IIL AMERICAS INC.**
Promising Reliability, For Now and Tomorrow



With

OVER 1 MILLION TONS OF EXPORTS TO DATE

our global footprint spans 60 countries across 6 continents.

As a truly international Company with an ever-expanding global footprint, IIL has an on-ground presence in Australia, Canada and Sri Lanka.

IIL's proven quality, strong supply chain and dedicated customer service have positioned IIL as a preferred supplier in advanced and conventional export markets.

MILESTONES



Established as Sir Sultan Chinoy & Company



Incorporated as International Industries Limited and sponsored Pak Chemicals Limited



Pakistan Cables Limited formed in a joint venture with BICC UK



Converted to a public limited company and quoted on Karachi Stock Exchange



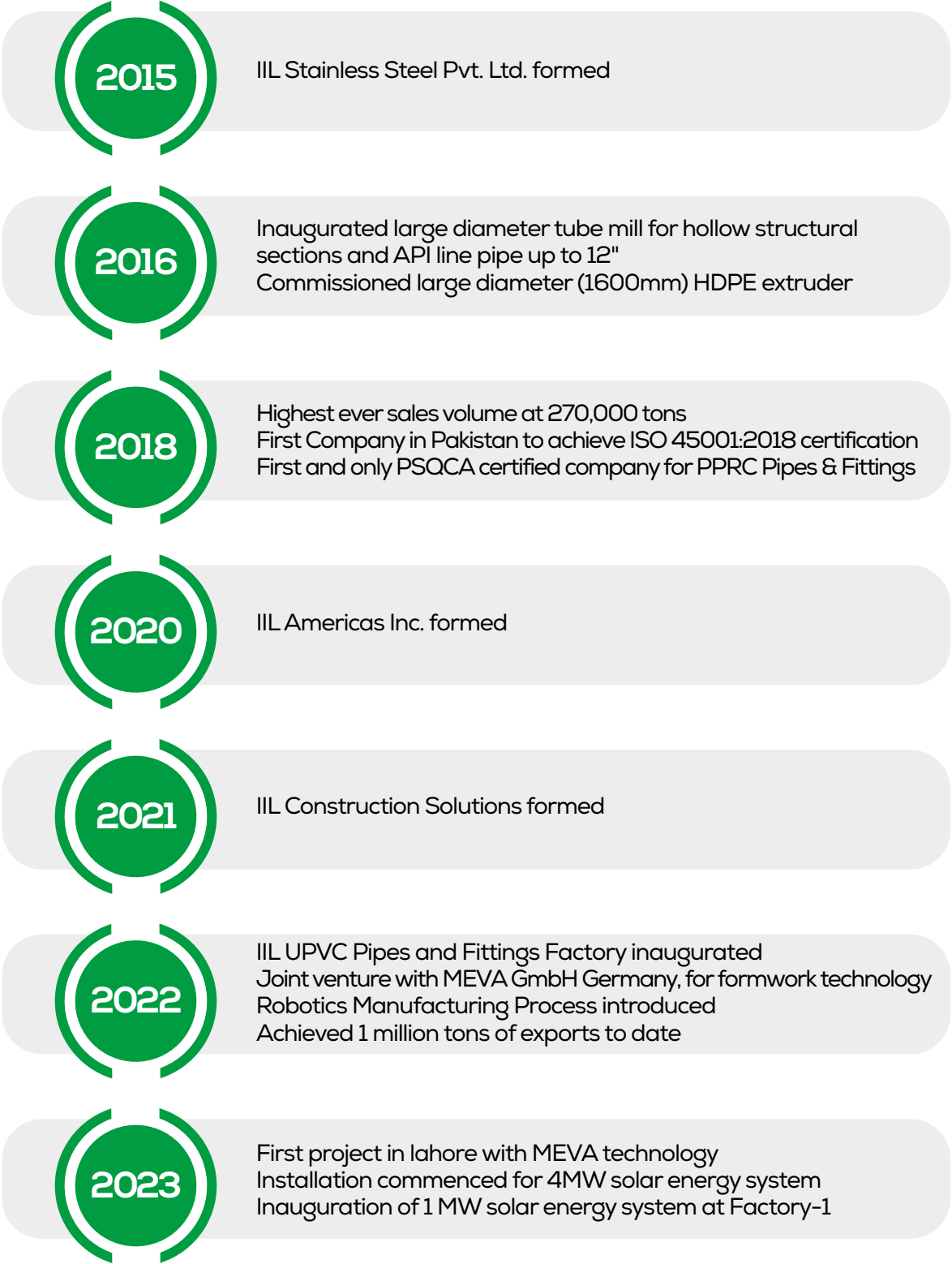
Turnover crossed Rs.1 Billion



Co-generation power plant capacity reached 4MW
Achieved Certification to OHSAS 18001:1999



IIL Australia Pty Limited formed
Launched a new brand for hot and cold water distribution - IIL PPRC Pipes



AWARDS AND ACCOLADES

IIL is proud to have received numerous awards and accolades from renowned institutions over the years.

YEAR	AWARDS AND ACCOLADES
2023	Certificate of Excellence by the Management Association of Pakistan in the Engineering category Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI
2022	Top 25 Companies Award by PSX Award for the Best Corporate Report 2021 by ICAP and ICMAP Certificate of Merit for the Best Sustainability Report 2021 by ICAP and ICMAP Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Certificate of Excellence at 37th Corporate Excellence Awards by MAP
2021	Top 25 Companies Award by PSX Award for the Best Corporate Report 2020 by ICAP and ICMAP Certificate of Merit for the Best Sustainability Report 2020 by ICAP and ICMAP Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI
2020	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI IAPEX Karachi 2019 Award for 2nd best stall Award for the Best Corporate Report 2019 by ICAP and ICMAP
2019	Top 25 Companies of Pakistan Award by PSX Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Award for the Best Corporate Report 2018 by ICAP and ICMAP Living the Global Compact Business Sustainability Award 2018
2018	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI City of Casey Best Business Award - Melbourne, Australia
2017	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Employers' Federation of Pakistan OHSE Award Best Corporate and Sustainability Report Award by jointly by ICAP and ICMAP IAPEX Karachi 2017 Award for 2nd best stall
2016	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Employers' Federation of Pakistan OHSE Award
2015	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Annual Environment Excellence Award by National Forum for Environmental Health (NFEH) Best Corporate and Sustainability Report by ICAP and ICMAP Employers' Federation of Pakistan OHSE Award Top 25 Companies of Pakistan Award by KSE Prime Minister's Export and Innovation Award
2014	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI
2013	Best Corporate and Sustainability Report Award by ICAP and ICMAP MAP 'Corporate Excellence Award' for the Industrial Metals and Mining Sector IAPEX Karachi 2013 Award for 2nd best stall
2012	Top 25 Companies Award by KSE. Best Presented Accounts South Asian Federation of Accountants Award for the year 2011. Best Corporate and Sustainability Report Award by ICAP and ICMAP (2nd overall for 2011). Best Corporate and Sustainability Report Award by ICAP and ICMAP (1st position in Engineering Sector) for 2011. Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Environment Excellence Award for 2011 from National Forum for Environment & Health.

YEAR	AWARDS AND ACCOLADES
2011	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Annual Environment Excellence Award by National Forum for Environmental Health (NFEH) Talent Triangle Award by Sidat Hyder Morshed Associates Good HR Practices Award by Sidat Hyder Morshed Associates Best Corporate and Sustainability Report Award by ICAP and ICMAP
2010	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Annual Environment Excellence Award by National Forum for Environmental Health (NFEH)
2009	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI CSR National Excellence Award by Help International Welfare Trust (HIWT) Annual Environment Excellence Award by National Forum for Environmental Health (NFEH)
2008	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE Best Presented Accounts by South Asian Federation of Accountants (SAFA) Annual Environment Excellence Award by National Forum for Environmental Health (NFEH)
2007	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2006	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE Best Corporate and Sustainability Report Award by ICAP and ICMAP
2005	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2004	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2003	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2002	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2001	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2000	Merit Trophy for Export of Non-Traditional Items (Galvanized Steel Pipes) Top 25 Companies of Pakistan Award by KSE



CERTIFICATIONS

STANDARD	DESCRIPTION	CERTIFIED BY	SINCE	LICENSE #
ISO 9001	Quality Management System	Lloyds Register Quality Assurance (United Kingdom)	1997	ISO 9001 - 0049981
ISO 14001	Environment Management System		2000	ISO 14001 - 0049980
ISO 45001	Occupational Health & Safety Management Systems		2000	ISO 45001 - 0049979
API Specification Q1 @ & 5L	FACTORY-1 Manufacturer of Line Pipe Plain End as PSL 1	American Petroleum Institute - API (United States)	2000	5L-0391
	FACTORY-2 Manufacturer of Line Pipe Plain End as PSL 1 & PSL 2		2016	5L-1104
BS EN 10255, BS EN10266	CE Mark for Hot Dip Galvanized ERW Carbon Steel Pipes	CNC Services (Germany)	2011	CNC/EEC/4112/11
BS EN 10296-1, BS EN 10305-5 & BS 1717	CE Mark for ERW Tubes from Cold Rolled Carbon Steel		2011	CNC/EEC/4113/11
BS EN 10219, BS EN 39, BS EN 10240, ASTM A-500, ASTM A-252, ASTM A-53, AS/NZS 1163 AS/NZS 4792	CE Mark for Cold Formed Welded Structural Hollow Sections (HSS)		2018	CNC/EEC/4525/18
UL-852 ASTM 795	UL Certification (ERW & Galvanized Pipes for Fire Sprinkler System)	Underwriter Laboratories UL (United States)	2017	EX27362
UL-852 (UAE)	UL UAE Certification (Metallic Sprinkler Pipe For Fire Protection Service)	Underwriter Laboratories UL (United States)	2017	VIZY - EX27362

PS:4533-34	License for the use of Pakistan Standard Mark for PPRC Pipe - FACTORY-3	Pakistan Standards Quality Control Authority (PSQCA)	2018	CML/N/1287/2018
DIN 16962	License for the use of Pakistan Standard Mark for PPRC Fittings - FACTORY-3		2018	CML/N/1288/2018
PS:3580	Polyethylene Pipe for water Supply "MEGAFLO" Brand		2015	CSDC/L-170/2015 (R)
ASTM A53	MS Pipe (Mild Steel Pipe) - FACTORY-1		2017	CSDC/L-205/2017 (R)
ASTM A53	MS Pipe (Mild Steel Pipe) - FACTORY-2		2017	CSDC/L-206/2017 (R)
Sri Lanka Standards Institution		SLSI	2020	II/CME/72/RM-02



SWOT ANALYSIS

STRENGTHS

- Economies of scale and manufacturing capacity
- Strong corporate governance structure
- Reputation of leading quality product in domestic and export markets
- Strong engineering core competence
- Proven expertise in galvanizing and specialized pipe making
- Multiple manufacturing facilities and nationwide presence
- Diversity of product range and ability to offer customization
- Ability to meet most customers' requirements from stock
- Distribution channel and channel relationships
- Financial strength
- On-ground presence in and knowledge of advanced export markets
- Ability to leverage ASC Group networks and strength
- Installed renewable energy capacity and captive power generation
- Strong ESG approach and implementation

OPPORTUNITIES

- Sustained growth in key market segments
- Enhanced demand for existing products in certain segments
- Enhanced demand for new products within existing product range
- Export opportunities in various strategic markets

W WEAKNESSES

- High labor, freight and interest cost
- Lead time of imported raw material procurement
- Space constraints for expansion at older factories
- Lack of awareness of IIL brand in advanced markets

T THREATS

- Economic uncertainty
- Regional, international and domestic geo-political challenges
- International price competition
- Mushrooming cottage industry and unethical practices therein
- Protectionism in export markets
- Imported products dumping into Pakistan
- Energy availability issues

STEEPLE ANALYSIS

Social, Technological, Environmental, Economic, Political, Legal and Ethical factors that impact IIL's business environment.

S

SOCIAL



- High population growth rate
- Declining per capita income
- Increasing demand for affordable housing
- Rapid increase in urbanization
- Social polarization and the rise of intolerance

T

TECHNOLOGICAL



- Industry 4.0 and the growing role of Artificial Intelligence
- Digital marketing growth
- Low cost industrial equipment
- Growth in fintech, ecommerce and alternate energy sectors
- Growth in communication infrastructure
- Modernization of trade

P

POLITICAL



- VUCA World: Volatility, Uncertainty, Complexity and Ambiguity
- Highly fluid and uncertain national political landscape
- Implications of security challenges in the region
- Growth of multiple centers of global power
- Global and regional geopolitical developments
- Growing Chinese influence

L

LEGAL



- Legislative volatility
- Anti-dumping rules in international market and intensified international trade measures
- Slow judicial process/ rule of law issues
- Inadequate legal protection of assets
- Poorly implemented labor laws

E ENVIRONMENTAL



- ESG imperatives and reporting as an integral part of business
- Moral obligations to environmental stewardship
- Steel is a 'hard to abate' segment
- Renewable/alternate energy is an imperative
- Scarcity of water and gas
- Global demand for 'green steel'
- Drive towards net zero emission
- Growing importance of UN SDGs

E ECONOMIC



- Economic volatility in Pakistan
- Rising energy cost and inflation
- Circular debt
- Import restrictions and supply chain pressures
- Rupee depreciation
- Reliance on IMF and other lenders
- Drive to increase tax net in Pakistan
- Low barriers to entry in certain segments
- Uncertain economic conditions / high inflation-high interest rate environment globally
- Rising commodity prices
- Declining foreign direct investment

E ETHICAL



- Tax evasion and questionable business practices
- Inaccurate declarations of imports and under invoicing
- Below standard pipe quality, thickness, and weight
- General acceptance of endemic environment of corruption
- Regulatory circumvention by international competitors

CALENDAR OF MAJOR EVENTS 2022-23

Q1

QUARTER-1

- IIL UPVC product launch
- ASC Group management Factory visits
- Participation in Tube Southeast Asia 2022 Exhibition, Thailand
- Participation in IAPEX 2022 Exhibition, Karachi
- 3rd Town Hall Meeting
- Independence Day celebrations
- 357th-358th Board of Directors Meetings
- 74th Annual General Meeting
- Corporate briefing session

Q2

QUARTER-2

- Asian Development Bank & TransKarachi Team visit IIL Factories
- Agreement signing between IIL and Allied Energy Solutions for 2MW Solar Project
- Lake City Roof Gardens – Mega Formwork Project commenced in collaboration with MEVA Germany
- Nationwide customer events
- IIL's participation in firefighting exhibition
- Toys distribution activity at Children Emergency Rooms in collaboration with ChildLife Foundation
- Christmas
- 359th Board of Directors Meeting



Q3

QUARTER-3

- 4th Town Hall Meeting
- Employee of the Year Awards
- Nationwide customer events
- MEVA customer events – Contractors and Constructors
- MEVA Germany team visits Lake City Roof Gardens Project Site in Lahore
- Participation in Firefighting & Plumbing Expo
- Earth Hour awareness sessions conducted across IIL locations
- Participation in career fairs (IBA, IoBM and UET)
- Women’s Day celebration
- Safety Walks & Training
- 360th Board of Directors Meeting

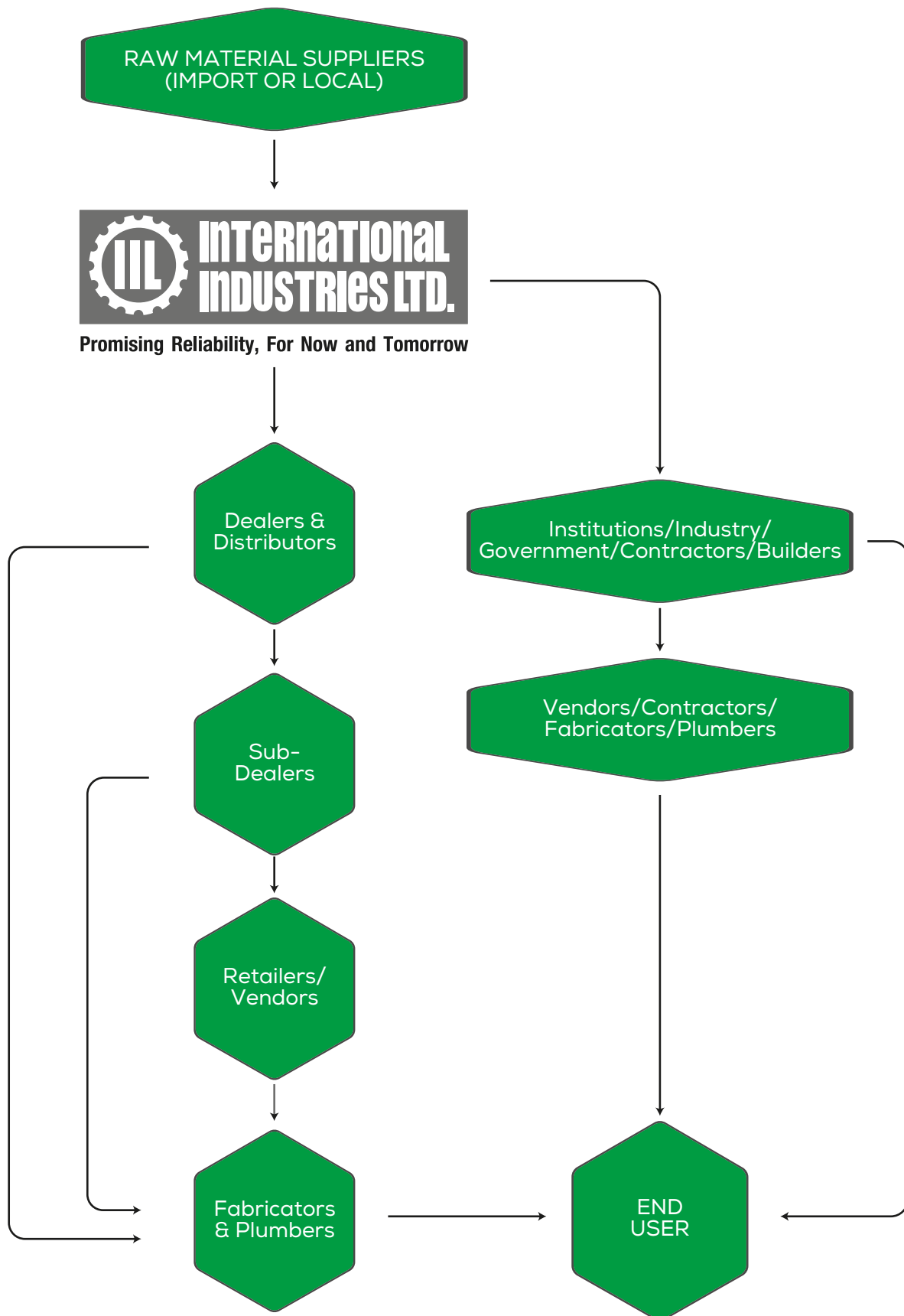
Q4

QUARTER-4

- 1MW Solar Power System inauguration ceremony at IIL Factory, Karachi
- IIL NextGen session
- Participation in HVACR exhibition
- Nationwide customer events
- 361st-363rd Board of Directors Meetings



COMPANY'S POSITION IN THE VALUE CHAIN



STATEMENT ON SEASONALITY

Historically, winter periods see a slowdown in construction activity in Pakistan's colder regions which may correspond with a temporary dip in sales. Similarly, due to gas shortages during winter periods, production may occasionally be impacted. Certain export markets experience a temporary slowdown in sales around seasonal holiday periods such as Christmas and New Year.

However, due to the diversity of IIL's products and markets, it is relatively insulated from the impact of such seasonal shifts.



UNITING FOR A SUSTAINABLE FUTURE
CSR AND SUSTAINABILITY

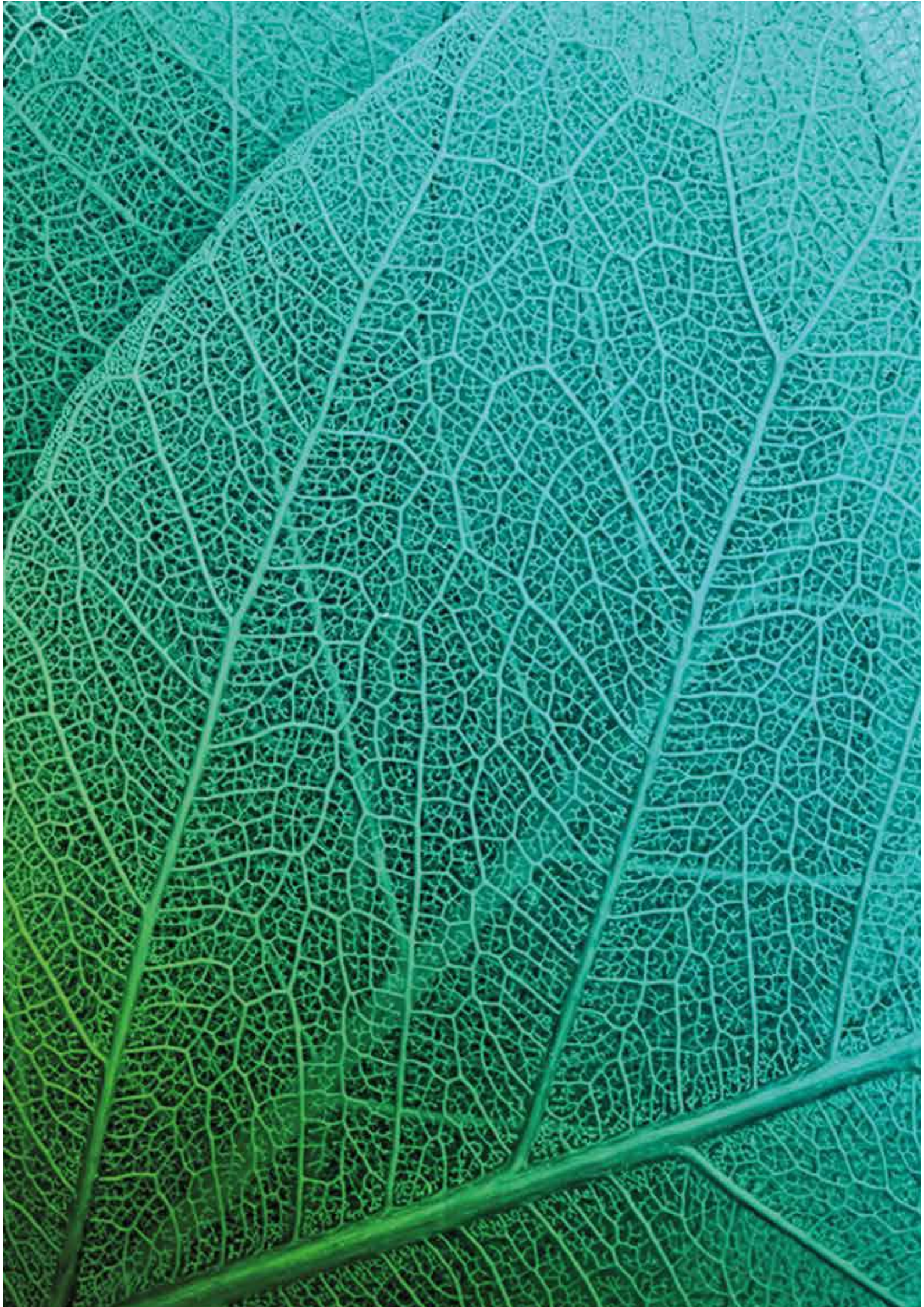


SUSTAINABLE DEVELOPMENT GOALS





**OUR
ENVIRONMENT**



OUR ENVIRONMENT

At IIL, environmental stewardship is a fundamental commitment that we proudly embrace. Our dedication to reducing our environmental impact is exemplified by our role as champion of the United Nations SDG 7 (Affordable and Clean Energy) and our focus on emission controls, resource optimization, water use and waste reduction, recycling initiatives and adoption of renewable energy sources.



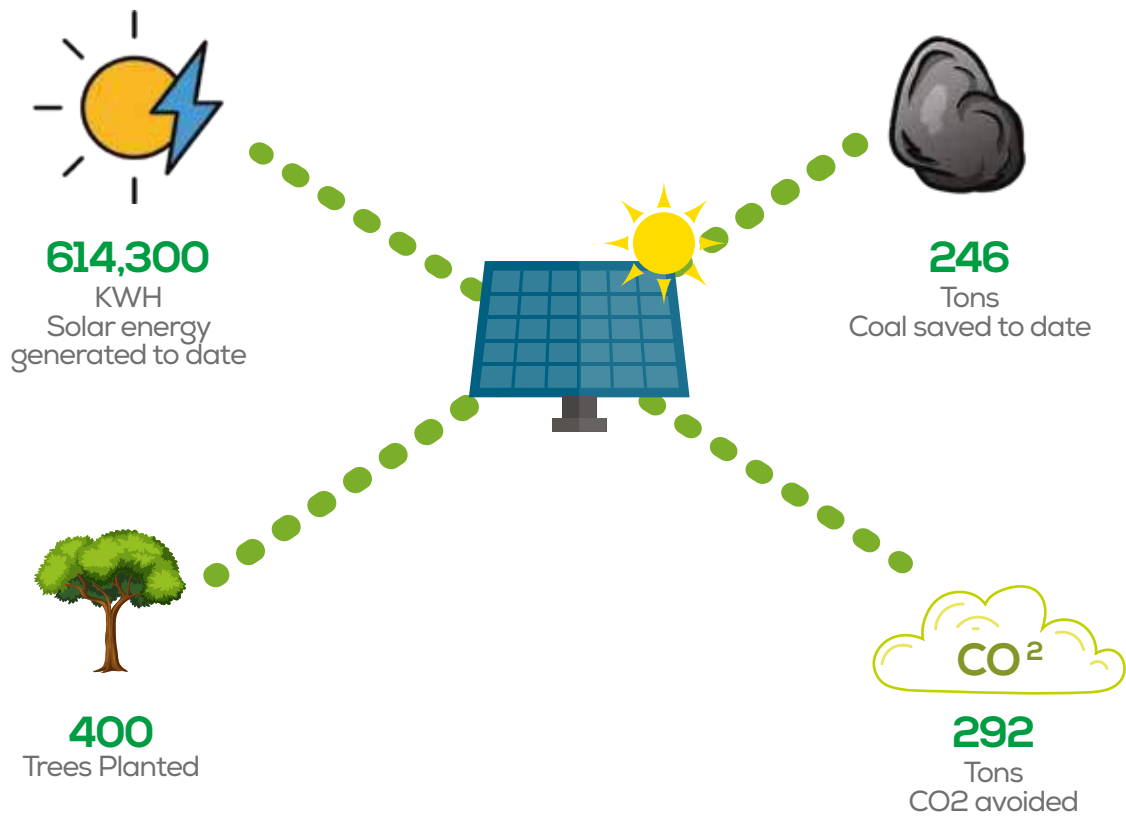
UN SDG 7 - AFFORDABLE AND CLEAN ENERGY

As a champion of UN SDG 7, IIL has made significant strides in integrating environmental best practices throughout our processes.

Addressing our carbon footprint head-on, IIL installed a 1MW solar energy system at our Karachi Factory. This significant step reduces our reliance on fossil fuels while contributing clean energy to the grid. Embracing the 'green' ethos further, IIL is gearing up to deploy an additional 4MW of renewable energy solutions across our facilities nationwide. This deliberate shift towards renewables demonstrates our dedication to sustainable energy practices.



HARNESSING RENEWABLE ENERGY



EFFICIENCY IN ENERGY GENERATION AND USAGE

ILL monitors its energy consumption using energy meters, gas analyzers and recorders. Co-generation from natural gas optimizes energy production, utilizing the cleanest fossil fuel with minimized emissions. This underscores our commitment to sustainability while emphasizing cost-effectiveness and operational efficiency.

SMART ENERGY CONSUMPTION

Smart technologies play a pivotal role in ILL's sustainability journey. Enhanced automation prevents auxiliary load misuse and reduces energy consumption. Variable frequency drives (VFDs) and automatic on/off systems for lighting are strategically implemented to curtail power requirements. Our shift to LED lighting, skylights, and heat utilization from co-generation engines is pivotal in achieving energy efficiency across our operations.



WASTE REDUCTION AND CIRCULAR ECONOMY

Our commitment to waste reduction and responsible management is evident in our comprehensive initiatives.

ILL's waste heat recovery boiler has resulted in an approximate annual reduction of almost 1.5 million cubic meters of natural gas. Similarly, ILL saves approximately 1.2MKWh in electricity use via its hot water absorption chiller.

Embracing the principles of a circular economy, we proudly achieve 100% in-house recycling rate for polyethylene and polypropylene materials, 29% reduction in paper and printer ink consumption and up to 90% reduction in water utilization via various water optimization technologies.

Furthermore, the disposal of solid waste is managed by EPA-certified contractors, reflecting our unwavering commitment to environmentally conscious practices.



EMISSIONS CONTROL AND ENVIRONMENTAL COMPLIANCE

ILL is dedicated to minimizing its environmental impact through rigorous emissions and effluent management. Frequent emissions testing, the use of high-fume scrubbers, and adherence to National Environmental Quality Standards (NEQS) are part of our commitment. We employ 100-foot fume scrubbers to neutralize emissions, regularly test boiler and generator systems, and upgrade gas engines, achieving energy savings and improved compressor efficiency. Effluent Treatment plants in our factories ensure that we responsibly discharge our waste.



CERTIFICATIONS AND COLLABORATIONS

ILL's pursuit of sustainability is underpinned by certifications and partnerships that reflect our unwavering dedication. We take pride in being the first Pakistani company to receive ISO 14001 certification, validating our effective Environmental Management System. ILL is also ISO 45001 certification, a testament to our commitment to occupational health and safety.

In collaboration with the Pakistan Business Council (PBC) and the Centre for Excellence in Business Reporting (CERB), ILL champions UN SDG 7, advocating for affordable and clean energy access.

SHARING THE JOURNEY AND SPREADING AWARENESS

At IIL, we believe in inspiring others. Collaborating with PBC and CERB, we conduct workshops, webinars and seminars on UN SDG 7 and our solar journey. We take pride in our leadership role in voluntary and non-voluntary reporting through detailed annual and sustainability reports. Additionally, our environmental stewardship activities are widely disseminated through newsletters, our website, and social media.

EMPOWERING INDIVIDUALS, ENGAGING COMMUNITIES

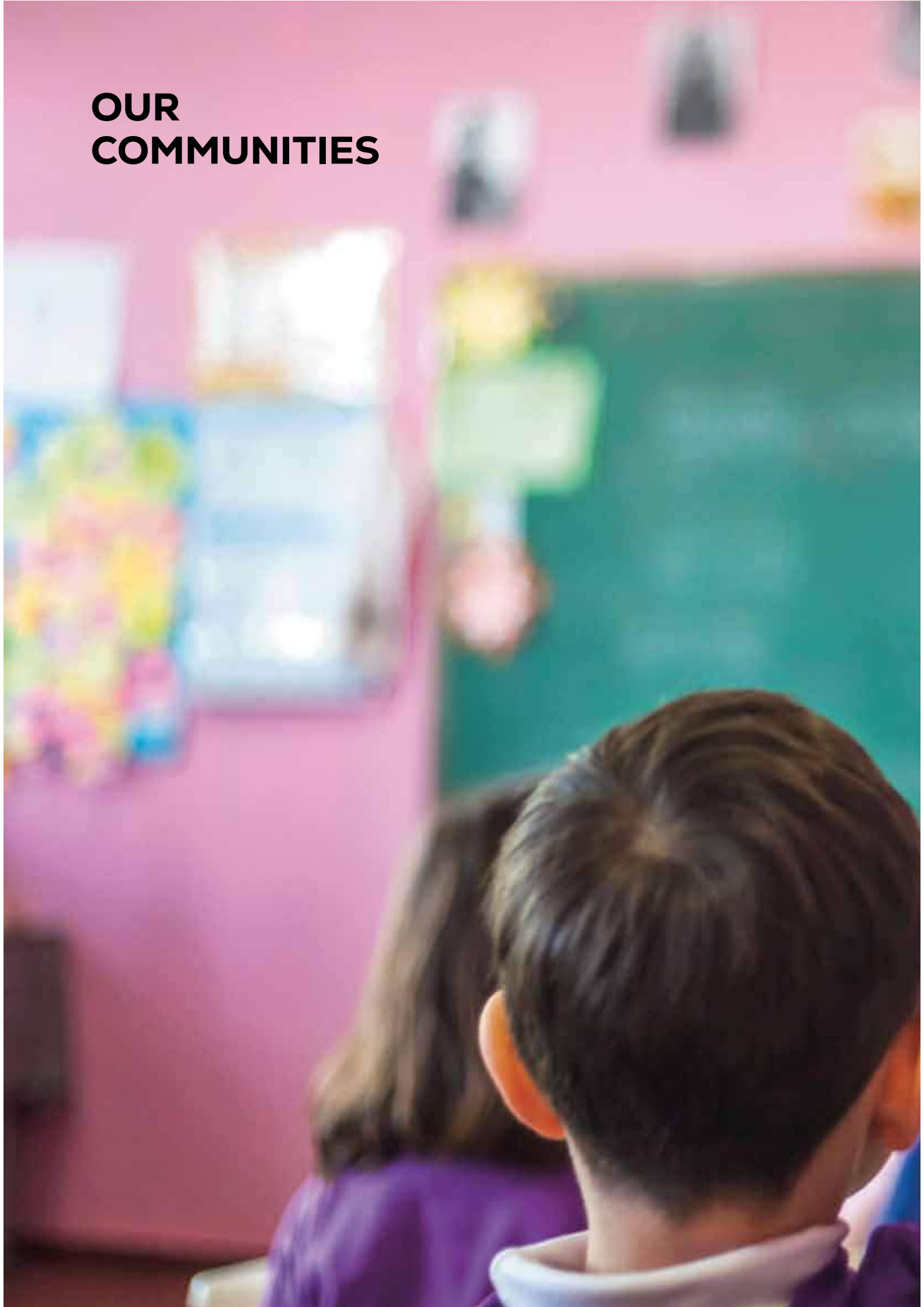
Various internal initiatives reflect IIL's commitment towards getting its workforce involved in making grass-roots level impact.

IIL's 'Recycling for Charity' program converts recyclable waste into charitable funds with a focus on women's health and education.

Earth day/Earth hour, newsletter articles, energy savings tips and various community engagement efforts aim to remind our workforce to be environmentally conscious at work and at home.



**OUR
COMMUNITIES**





OUR COMMUNITIES

In continuation of a proud heritage, which is shared within the ASC Group, IIL's is acutely aware of its responsibility to society at large and the communities in which it operates.

In essence, IIL's approach to community engagement extends far beyond traditional philanthropy. It encompasses holistic development, transformative initiatives, and a steadfast commitment to uplift and empower the lives of the communities in which it operates. As the Company moves forward, this commitment remains an intrinsic part of its journey toward a more inclusive and prosperous future.



TRANSFORMING UNDERPRIVILEGED LIVES

The heart of IIL's engagement lies in its Corporate Social Responsibility (CSR) commitment to contribute 2.5% of its annual Profit after Tax (PAT) to held society. These endeavours are structured around education, health and the overall welfare of the underprivileged, thereby underpinning our commitment to sustainable change.

EDUCATION, HEALTH, AND WELFARE INITIATIVES

IIL's core belief in its societal responsibility resonates through its dedication to community upliftment. Our establishment of key institutions, including a TCF school, SINA clinic, and a mosque near our factory, showcases our unwavering focus on nurturing the communities we operate within.

The IIL-SINA ChildLife clinic, established with the support of IIL, provides free or subsidized medical care to over 30,000 patients annually in a previously un-served community.

The IIL-TCF campus in Landhi, ensures that almost 400 students receive free or affordable education, with a special emphasis on empowering young girls (48% female enrolment).



STANDING STRONG IN TIMES OF CRISIS

The devastating floods in 2022 impacted the lives of millions of Pakistani's. In response, IIL made a commitment to match any funds contributed by its employees resulting in a sizeable contribution to flood relief.

IIL was grateful to have also received and matched contributions from some of its international affiliates. Local Engagement

Where possible, IIL aims to hire from local communities surrounding its factory locations. This practice not only bolsters the local economy but also reinforces IIL's role as a contributor to overall community well-being.

SKILL ENHANCEMENT AND EMPOWERMENT

IIL's efforts extend beyond immediate support, with adult education programs, skill development training, and vocational apprenticeships enhancing the capabilities of its workforce and the surrounding community.



INNOVATING FOR SUSTAINABLE GROWTH

From its diversified housing solutions to responsible emissions & waste management, IIL aligns its operations with a sustainable ethos. Its Hollow Structural Sections (HSS) and innovative construction solutions offerings not only expedite construction but also underscore IIL's commitment to eco-friendliness by reducing project carbon footprint.

COLLABORATIVE OUTREACH

ILL's contributions to the building of vital facilities, such as healthcare centers, community centers, fire stations and educational institution, highlight its dedication to holistic community development.

Recognizing the importance of fire safety in the community, ILL stepped forward to support the establishment of the LATI fire station in Landhi which exemplifies ILL's belief in proactive measures to ensure the safety and protection of the local community.

In another initiative, ILL provided free of cost building material to a street-based community center in Karachi which provides a safe space for young men and women to engage in sports, learning and activities.



AIDING THOSE IN NEED

ILL's involvement with the ChildLife Foundation underscores its compassionate spirit. From toy distributions in emergency rooms to winter donation drives, the company continually extends a helping hand to those facing challenging circumstances.



BLOOD DONATION AND BEYOND

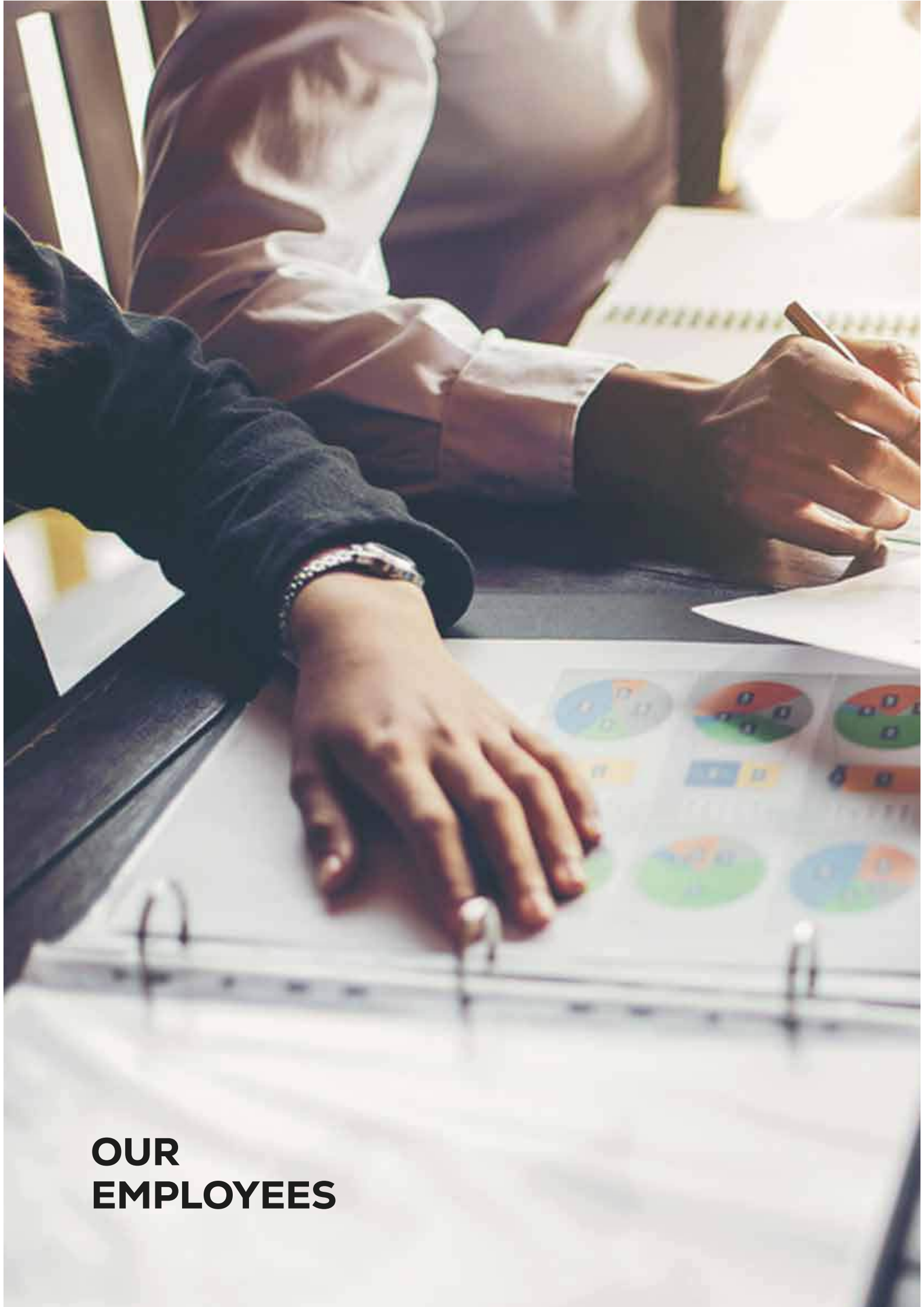
With a genuine intent to make a meaningful impact, IIL's employees participate in blood donation drives, reaffirming their commitment to supporting their fellow community members in life-saving endeavours.



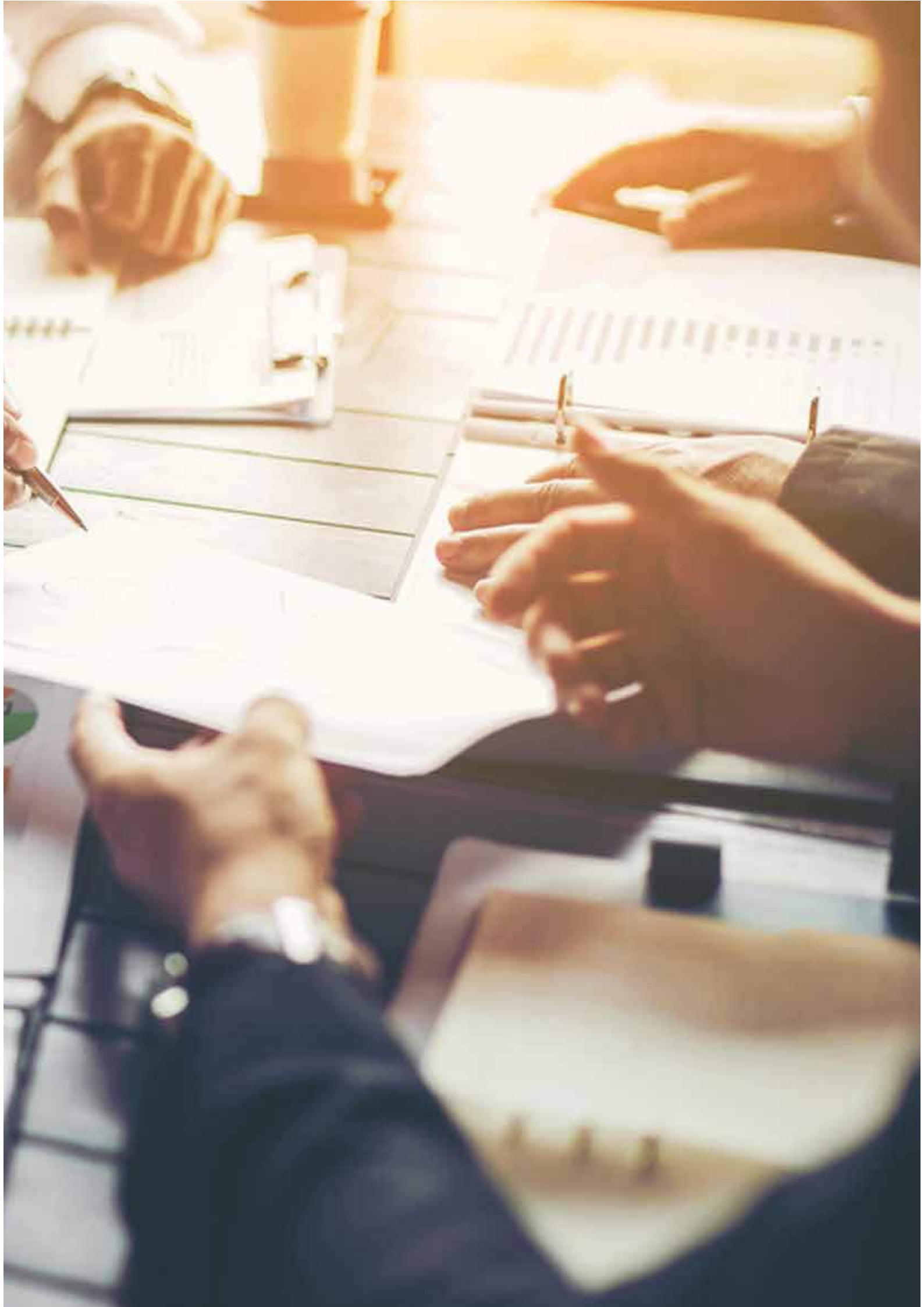
THE GLOBAL COMMUNITY

IIL is a truly international company with offices in Melbourne and Toronto. During the recent floods in Pakistan, IIL was very grateful to have received charitable donations from its customers and partners in Australia and Canada. IIL matched each donation to make a larger impact.

IIL has also supported international fundraising for educational institutions in Pakistan and has extended support to a local charity in Canada that works with children with learning disabilities.



**OUR
EMPLOYEES**



OUR EMPLOYEES

IIL's journey toward sustainability and social responsibility is guided and enriched by the unwavering commitment of its exceptional employees. Rooted in a shared sense of purpose, the Company's workforce has become the driving force behind the Company's efforts to create positive, lasting change. Their dedication to embracing sustainable practices, fostering community engagement, and championing responsible business initiatives is at the heart of IIL's success.



INCLUSIVITY

IIL takes pride in being an equal opportunity and inclusive employer that values diverse perspectives and encourages open expression.

IIL is committed to actively encouraging gender diversity and empowering its female workforce. Through strategic recruitment, comprehensive training, and ongoing skills development, IIL aims to create an environment where every individual can thrive. To further reinforce its commitment to gender equality, the Company conducts gender sensitivity training, organizes seminars, and hosts workshops that promote diversity, equity, and inclusion. This effort has led to a significant achievement – zero gender-based cases reported during the year.

IIL is proud of enhanced female representation at Board, Management and labor level, in what is traditionally a male dominated industry in Pakistan.

Annual "ASC Group Women's Day Events" bring together all the female colleagues within the ASC Group to share success stories, inspirations, and ideas and to hear from notable female keynote speakers.

The Company is attentive to the unique needs of its female staff, providing dedicated facilities that cater to their comfort and privacy including pick and drop services.

IIL also recognizes its young talent through the innovative "IIL Next Gen" program which seeks to give an exposure to the youth within IIL.



SAFETY

ILL's Health and safety policy is rigorously enforced through daily 'Safety Walks' and meticulous safety reporting. ILL has also instituted a company-wide 'Safety is my responsibility' campaign, championed by the Company's CEO and Executive Management Team, to promote personal accountability and vigilance across the organization. These efforts are reinforced by safety awareness trainings that fosters a culture of safety consciousness from the grassroots level upward.

The foundation of ILL's safety practices rests on its commitment to human rights and ethical conduct. The Company's Code of Conduct firmly upholds fundamental human rights, ensuring that every employee, customer, and stakeholder is treated with fairness, equality, and respect. This commitment is demonstrated through monthly safety walks across all company facilities, distributing trophies to the winning departments, and regularly conducting sessions on road and fire safety. ILL's dedication to safety is further underscored by its impressive Lost Time Injury Frequency Rate (LTIFR) of 0.73 per one million worked hours, reflective of the safe working conditions it prioritizes.



To bolster health and safety awareness, ILL hosts guest speaker sessions for its employees and has developed a daily HSE Dashboard that tracks leading indicators. The Company continually engages in proactive communication through monthly safety walks, addressing OHSE (Occupational Health, Safety, and Environment) issues with senior management, OHSE team leaders, service providers, and CBA representatives. ILL equips its employees with necessary Personal Protective Equipment (PPE) and makes safety a mandatory aspect of the onboarding process for all new employees, contractors, and visitors.

TRAINING & DEVELOPMENT

ILL places a strong emphasis on continuous learning and the enhancement of employee skills.

In the previous year, the Company has conducted a total of 59 training sessions, engaging over 914 employees across various topics. This dedication to professional growth resulted in an impressive total of 3864 training hours. As part of ILL's commitment to health and safety, the Company organized 177 internal classroom sessions dedicated to this crucial aspect. This equates to 3312 training hours, averaging 2.36 training hours per employee. Furthermore, ILL's apprentice training program continues to flourish, with over 40 apprentices gaining valuable experience across different manufacturing facilities.

ILL's employees attended training sessions at esteemed organizations such as the Employers Federation of Pakistan, IBA, LUMS, ICAP and various others. ILL's adult education program focuses on enhancing reading and writing skills, while regular skill development training ensures ongoing productivity improvement. Through the Company's apprentice training program, ILL empowers deserving individuals with vocational training, equipping them with valuable manufacturing knowledge.



EMPLOYEE WELFARE

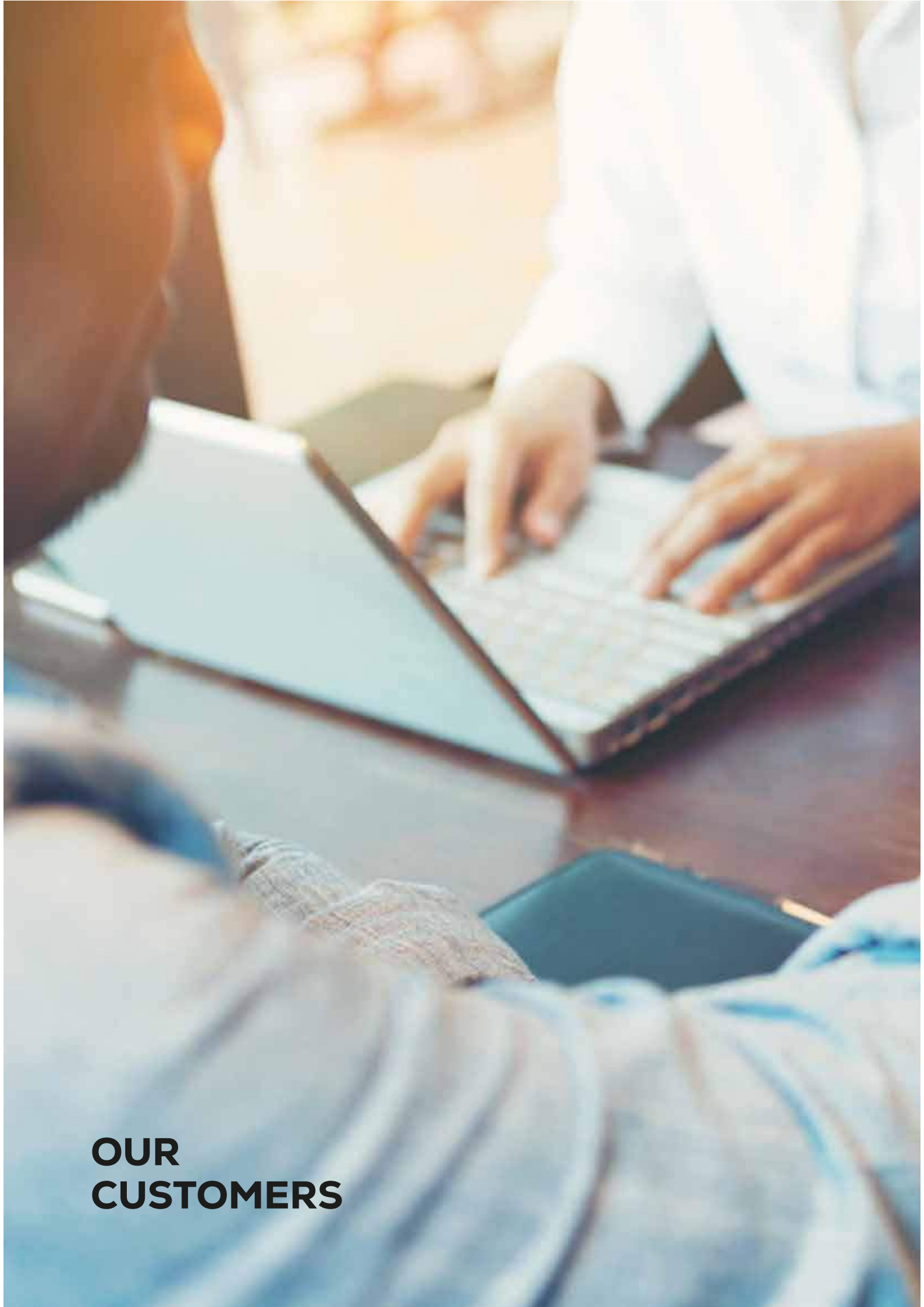
The welfare of employees is a cornerstone of ILL's practices, reflecting its commitment to their well-being and satisfaction.

ILL's comprehensive Code of Conduct integrates ethical practices and is reviewed and acknowledged annually by all Directors and employees. This integration ensures the continued respect for human rights and fairness in all its business activities. To foster a transparent environment, the Company provides effective grievance policies that empower employees to raise concerns, ensuring timely resolution.

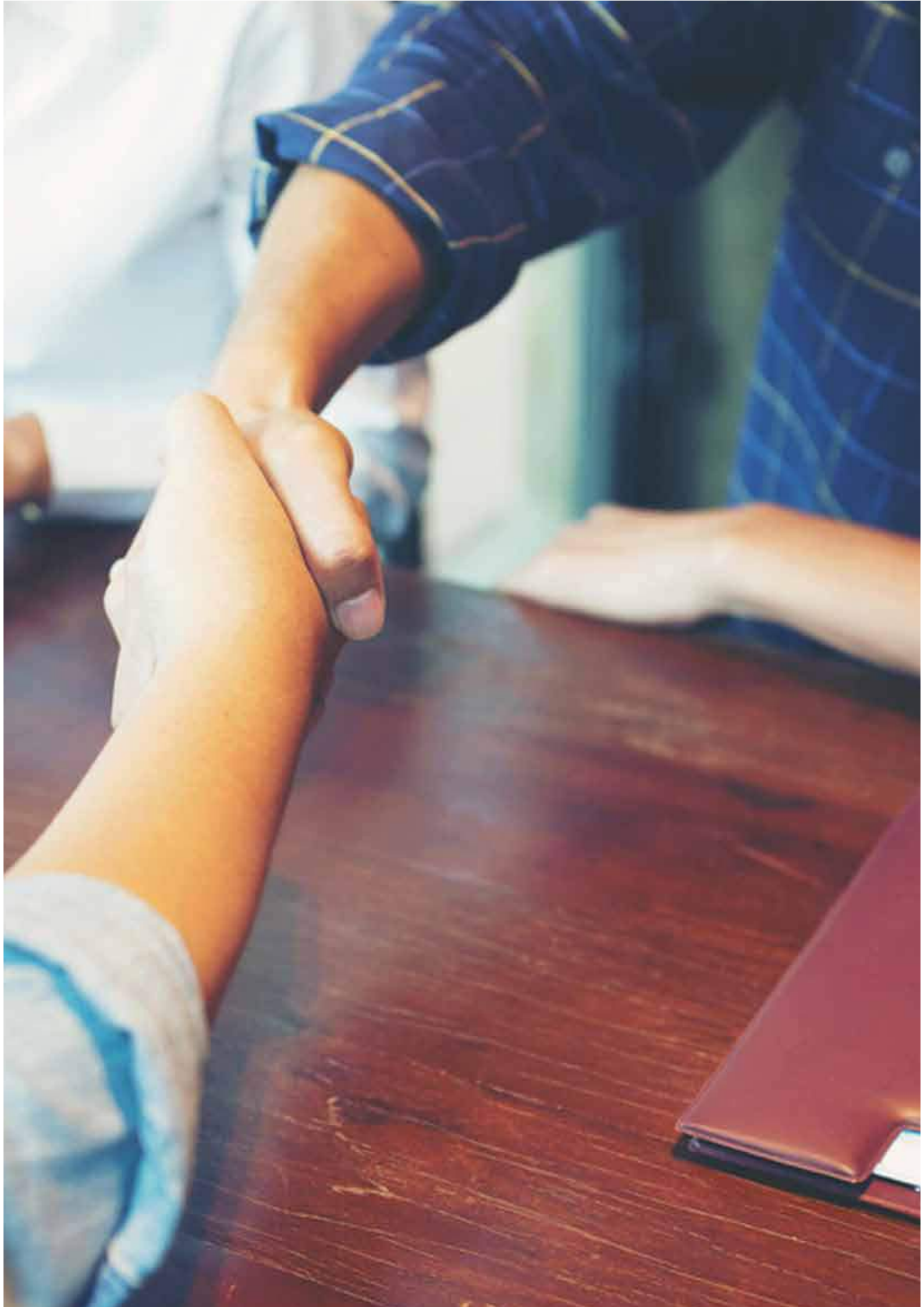
ILL believes in fostering industrial harmony and maintaining open communication. Biennial bilateral negotiations between ILL's management and the Collective Bargaining Agreement (CBA) representatives ensure that workers' demands are addressed, contributing to a peaceful work environment. ILL's whistleblower policy is a testament to its commitment to transparency and accountability, allowing employees to report concerns without fear of reprisal.

The Company consistently promotes employee well-being through its communications. ILL's newsletters and corporate communications feature health and wellness tips, sharing best practices for a balanced lifestyle. Flexible work timings offer employees the opportunity to achieve a healthy work-life balance. Across all its locations, ILL provides essential services, medical facilities, separate dining areas, prayer spaces, and recreational facilities, ensuring a conducive work environment. Medical leaves, casual leaves, and earned annual leaves are provided to address various employee needs.

ILL places paramount importance on health, offering medical facilities through the Social Security Scheme and Health Insurance Scheme. Clean and filtered water is readily available to employees at all locations, with periodic third-party testing to ensure quality. Our commitment to employee well-being extends to recreational activities which foster a sense of camaraderie and enjoyment.



**OUR
CUSTOMERS**



OUR CUSTOMERS

In an era where customer expectations and demands are continually evolving, IIL has embarked on a transformative journey by redefining its strategy to embrace a customer-centric approach. This strategic shift is designed to reinforce IIL's commitment to placing customers at the epicenter of its operations, thereby fostering stronger relationships, delivering tailored solutions, and driving sustainable growth.

IIL's customer-centric approach is underpinned by a comprehensive strategy that encompasses four key areas, each contributing to an enhanced customer experience and strengthened partnerships.



CUSTOMER AWARENESS

IIL has engaged in a range of proactive and targeted in-market activities. These activities include participation in market events, where the company has the opportunity to showcase its innovative products, forge connections, and gain firsthand insights into market trends. Additionally, IIL has invested in market branding initiatives to ensure that its value proposition resonates strongly with customers. Furthermore, personalized one-on-one corner meetings have been instrumental in fostering deeper connections, enabling the company to better understand customer needs and tailor solutions accordingly. The participation in exhibitions and tradeshows has served as a platform to not only showcase products but also engage in meaningful interactions, thereby solidifying IIL's position as a customer-focused industry leader.



DIGITAL TRANSFORMATION

To streamline its operations and elevate customer interactions, IIL has embraced digital transformation. A pivotal step in this direction was the deployment of a state-of-the-art Customer Relationship Management (CRM) system. This robust platform facilitates seamless communication and collaboration among the sales and marketing teams, ensuring that crucial customer information is centralized and easily accessible. By diligently tracking customer interactions, inquiries, complaints, and promotional campaigns through the CRM, IIL enhances its ability to respond promptly, provide timely support, and gain valuable insights for continuous improvement. This technological investment aligns with IIL's commitment to not only meet but exceed customer expectations, thereby reinforcing its customer-centric ethos.



By diligently tracking customer interactions, inquiries, complaints, and promotional campaigns through the CRM, IIL enhances its ability to respond promptly, provide timely support, and gain valuable insights for continuous improvement. This technological investment aligns with IIL's commitment to not only meet but exceed customer expectations, thereby reinforcing its customer-centric ethos.

VALUE-ADDED PRODUCTS

IIL recognizes that the modern marketplace demands solutions that are not only of high quality but also tailored to specific customer requirements. In response, the company has pivoted towards offering value-added products that cater to diverse needs. By engaging customers in meaningful consultations, IIL collaborates closely to understand their challenges and aspirations. IIL delivers customized products that align seamlessly with customer goals. This bespoke approach not only differentiates IIL from competitors but also solidifies its position as a trusted partner, dedicated to helping customers achieve their objectives.

CONTINUOUS ENGAGEMENT

At the core of IIL's customer-centric approach is a commitment to ongoing engagement. This involves actively listening to customer feedback, analysing market trends, and remaining attuned to evolving preferences. Regular communication channels, including surveys and feedback mechanisms, enable IIL to continuously refine its offerings and services. By staying connected with customers, the company ensures that its solutions remain relevant, impactful, and aligned with the ever-changing landscape.



BOARD STATEMENT ON ADOPTION OF BEST PRACTICES FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

On behalf of the Board of Directors, I am pleased to announce that IIL is taking proactive steps towards enhancing our Corporate Social Responsibility (CSR) efforts by adopting international best practices. As a responsible and concerned corporate citizen, IIL recognizes the importance of integrating sustainable practices, ethical considerations, and community engagement into its business operations.

CSR has become an integral part of our business landscape, and stakeholders increasingly expect companies to contribute positively to society and the environment. By aligning our practices with globally recognized CSR standards, we aim to strengthen our reputation, create long-term value, and drive sustainable growth for IIL and contribute to our communities.

We believe that a robust CSR framework will not only benefit our stakeholders but also enhance our competitiveness in the market. By adhering to these best practices, we will:

- 1. Uphold Ethical Practices:** IIL will prioritize ethical conduct in all aspects of our operations. We will adhere to the highest standards of integrity, transparency, and corporate governance. We will strictly comply with all applicable laws, regulations, and industry standards, ensuring that our actions are aligned with the best interests of our stakeholders.
- 2. Environmental Stewardship:** Recognizing our responsibility towards the environment, IIL will implement practices that minimize our ecological footprint. We will promote resource efficiency, waste reduction, and responsible management of natural resources. We will continuously explore and invest in innovative technologies and processes that support environmental sustainability.
- 3. Community Engagement:** IIL is committed to actively engaging with the communities in which we operate. We will foster mutually beneficial relationships by supporting initiatives that contribute to the well-being and development of these communities. Through collaborative partnerships, we will address their needs, empower individuals, and enhance social and economic opportunities.
- 4. Employee Well-being:** Our employees are at the heart of our success, and we are dedicated to ensuring their well-being. IIL will promote a safe and inclusive work environment that respects diversity, provides equal opportunities, and encourages professional growth. We will prioritize employee health, safety, and welfare while fostering a culture of trust, respect, and open communication.
- 5. Supply Chain Responsibility:** IIL recognizes that our supply chain plays a vital role in our overall CSR performance. We will work closely with our suppliers and contractors to promote responsible business practices, including ethical sourcing, fair labor conditions, and environmental responsibility. We will encourage our partners to embrace sustainability and align with our CSR objectives.
- 6. Stakeholder Collaboration:** IIL believes that collaboration is key to achieving sustainable development. We will actively engage and communicate with our stakeholders, including shareholders, customers, employees, communities, and regulatory bodies. By understanding their expectations and concerns, we will strive to create shared value.

As the Board of Directors, we are fully committed to embedding these best practices throughout the organization. We will provide the necessary resources, support, and oversight to ensure the successful implementation of our CSR strategy. We will regularly monitor and evaluate our performance, holding ourselves accountable for achieving our goals and continuously improving our CSR initiatives.

By adopting these best practices for CSR, International Industries Limited aims to make a meaningful and sustainable impact on society, while enhancing the long-term value of our business. We believe that through our collective efforts, we can contribute to a more inclusive, prosperous, and environmentally responsible future.

We invite all stakeholders to join us on this journey and look forward to their support and collaboration.

On behalf of the Board



Chairman,
Kamal A. Chinoy
International Industries Limited

BOARD STATEMENT ON STRATEGIC OBJECTIVES FOR ESG AND SUSTAINABILITY REPORTING

ILL recognizes that sustainable and responsible business practices are essential for long-term value creation, stakeholder trust and betterment of the society and environment. Accordingly, ILL has always embraced and been a proponent of Environmental, Social, and Governance (ESG) considerations and is proud to have integrated them into its business and operating models.

ILL's strategic objectives for ESG and sustainability reporting demonstrate our commitment to transparency, accountability, and continuous improvement in these critical areas. We believe that by setting clear objectives and measuring our performance against internationally recognized ESG standards, we can drive positive change and contribute to a sustainable future.

- 1. Environmental Stewardship:** ILL is dedicated to minimizing its environmental impact and promoting sustainable resource management. **Our strategic objectives include:**
 - Reducing greenhouse gas emissions and energy consumption through energy-efficient practices and the adoption of renewable energy sources.
 - Implementing sustainable waste management practices, including recycling, waste reduction, and responsible disposal methods.
 - Conserving water resources through efficient usage, recycling initiatives, and water stewardship practices.
 - Assessing and mitigating the environmental risks associated with our operations and supply chain.
- 2. Social Responsibility:** ILL recognizes the importance of positively impacting the communities we operate in and fostering a diverse, inclusive, and safe workplace. **Our strategic objectives include:**
 - Promoting the health, safety, and well-being of our employees through robust occupational health and safety measures.
 - Championing Diversity, Equity, and Inclusion within our workforce and creating equal opportunities for all.
 - Supporting local communities through social investment, education, healthcare initiatives, and empowerment programs.
 - Strengthening stakeholder engagement and communication to address concerns, foster dialogue, and understand their needs and expectations.
- 3. Governance and Ethical Practices:** ILL is committed to upholding the highest standards of corporate governance and ethical conduct. **Our strategic objectives include:**
 - Ensuring transparency, integrity, and accountability in our business practices and decision-making processes.
 - Maintaining a strong governance framework and compliance with applicable laws, regulations, and industry best practices.
 - Promoting a culture of ethical behavior, integrity, and responsible business practices throughout the organization.
 - Fostering a robust system of risk management, internal controls, and corporate accountability.

4. **Sustainability Reporting:** To effectively communicate our progress and performance in ESG and sustainability, IIL has developed a comprehensive sustainability reporting framework aligned with international standards and frameworks. **Our strategic objectives include:**

- Establishing a structured reporting process to monitor and measure our ESG performance consistently.
- Incorporating key performance indicators (KPIs) and targets related to ESG into our reporting framework.
- Engaging with external stakeholders, including investors, regulators, customers, and communities, to understand their information needs and address their concerns.
- Periodically reviewing and enhancing our reporting practices to ensure transparency, credibility, and relevance.
- Development and publication of an integrated 'ASC Group Sustainability Report'

By setting these strategic objectives for ESG and sustainability reporting, IIL aims to create a positive impact on the environment, society, and our long-term business sustainability. We understand that these objectives require collective effort, and commit to providing the necessary resources, leadership, and support to achieve them.

Through our dedication to ESG and sustainability, we strive to be a role model for responsible business practices within our industry and contribute to the development of a more sustainable and equitable world.

On behalf of the Board



Chairman,
Kamal A. Chinoy

International Industries Limited

CHAIRMAN'S OVERVIEW ON THE IMPACT OF SUSTAINABLE PRACTICES ON FINANCIAL PERFORMANCE

IIL's commitment to sustainable practices not only stems from our responsibility towards the environment and society but also recognizes the significant impact that these practices can have on our financial performance. Below is an overview of how our sustainable practices can positively influence our financial bottom line.

- 1. Operational Efficiency and Cost Savings:** By incorporating sustainable practices, we strive to optimize our operations and enhance efficiency. Energy-efficient processes, renewable energy utilization, and waste reduction measures not only contribute to reducing our carbon footprint but also result in substantial cost savings. These cost savings directly impact our financial performance by lowering our energy expenses, raw material consumption, and waste management costs. Improved operational efficiency helps us allocate resources more effectively, improving overall profitability.
- 2. Enhanced Reputation and Brand Value:** Our commitment to sustainable practices places us as a responsible and forward-thinking organization. It enhances our reputation and brand value, leading to increased customer loyalty, improved market competitiveness, and expanded market opportunities. Customers today are increasingly conscious of the environmental and social impact of the products they purchase. By aligning with their values, we can attract a larger customer base, drive sales growth, and ultimately boost our financial performance.
- 3. Regulatory Compliance and Risk Mitigation:** Sustainable practices ensure compliance with evolving environmental regulations and social governance standards. By proactively addressing regulatory requirements, we mitigate the risk of penalties, fines, and legal liabilities, which can have a significant financial impact. Furthermore, our commitment to sound governance and ethical conduct safeguards our reputation and minimizes the risk of potential legal and compliance issues, protecting our financial standing and shareholder value.
- 4. Access to Capital and Investor Confidence:** Incorporating sustainable practices can enhance our access to capital and strengthen investor confidence. Responsible investors are increasingly considering environmental, social, and governance factors when making investment decisions. By demonstrating our commitment to sustainability, we can attract responsible investment funds, access green financing options, and build long-term partnerships with investors who prioritize sustainable businesses. This opens up opportunities for capital infusion and reduces our cost of capital, positively impacting our financial position.

5. **Stakeholder Engagement and Employee Productivity:** Sustainable practices engage our stakeholders, including employees, customers, and communities, fostering a sense of pride, loyalty, and motivation. Engaged employees contribute to higher productivity, reduced turnover, and improved operational efficiency, leading to financial gains. Additionally, positive relationships with local communities and customers can enhance brand reputation, customer loyalty, and support for our business, resulting in increased sales and profitability.

In conclusion, our sustainable practices are not only aligned with our commitment to being responsible corporate citizens but also have a direct impact on our financial performance. They contribute to operational efficiency, cost savings, enhanced reputation, reduced risk, improved access to capital, and increased stakeholder engagement. As we continue to integrate sustainability into our core business practices, we are confident that it will be a catalyst for our long-term financial success.

We remain committed to driving sustainable growth, maximizing shareholder value, and being at the forefront of responsible business practices. Together, let us forge ahead, creating a better future for our Company, our stakeholders, and the world around us.

On behalf of the Board



Chairman,
Kamal A. Chinoy
International Industries Limited

INFORMATION SYSTEMS

Enforcement of Legal and Regulatory Implications of Cyber Risks

In the field of Information Technology, information security is continuously evolving. IIL has implemented an effective strategy to ensure that the risks associated with technological development have the least impact on its operations. Accordingly, we have ramped up our investment in Information Technology to protect the interests of the Company's key stakeholders and guarantee the visibility and involvement of managers in overseeing technology risks and cybersecurity matters.

This, together with the support, of senior management, makes it possible for us to continue developing initiatives that provide us with technologies and solutions to meet our strategic objectives while complying with established principles and guidelines.

IT Governance and Cybersecurity Programs, Policies, and Procedures

The Company has in place an adequate framework for IT governance and cybersecurity to ensure continuity of IT services and data integrity. Policies and procedures have been developed to control physical and virtual access to information.

Cybersecurity Management

IIL's Board actively collaborates with the management team to address cybersecurity risks. This involves ongoing discussions, routine reporting, comprehensive risk assessments, effective oversight activities, education initiatives, and training programs. This approach ensures a robust and cooperative effort with the Company's management team in managing risks, as well as establishing efficient reporting mechanisms.

Early Warning System Procedure

The Company has deployed a robust AI-based early warning system to detect and respond to cybersecurity risks and incidents. By leveraging advanced monitoring tools, potential threats and vulnerabilities are swiftly identified and addressed. Furthermore, the Company remains committed to consistently reviewing and enhancing its controls and procedures to proactively counter evolving cybersecurity threats.

Disaster Recovery Plan (DRP)

IIL has established state-of-the-art data centers with primary and DR sites equipped with the most advanced and reliable tools and a comprehensive DRP to ensure business continuity and data loss prevention in the event of disaster or cyber-attack.

The DRP is being periodically tested by practicing DR drills to help enhance the efficacy of recovery procedures and processes to ensure the Company's readiness in terms of infrastructure and team capabilities.

Training Efforts to Mitigate Cybersecurity Risks

Through comprehensive employee training, stringent security policies, granular access controls, timely software updates, fortified network security, swift incident response mechanisms, and regular external audits, we ensure the safeguarding of sensitive information, customer data, and intellectual property.



STRATEGIC OBJECTIVES AND KEY PERFORMANCE INDICATORS

IIL's primary endeavour is to ensure that our overall corporate and strategic objectives are met by playing an exemplary leadership role in the local steel industry in line with global best practices.

The Company continuously strives to modernize and grow its business to ensure continued profitability and maximize return to shareholders.

IIL has been successful in achieving its objectives by employing a consistent strategy that has emphasized strong ethics, innovation, quality, competitiveness, backward integration, product diversity, sustainable business practices and continuous growth in higher value products.

Strategic Objectives	Strategies & Key Performance Indicators
Customer Focus	<ul style="list-style-type: none"> • Increase customer support • Maintain steadfast focus on value proposition to consumers • Continue to develop culture of external and internal customer centricity throughout organization • Implement research and product development set-up
IIL Brand Focus	<ul style="list-style-type: none"> • Increase brand visibility • Invest in marketing • Continue to keep quality as a cornerstone of our value proposition
Balance Sheet Stability	<ul style="list-style-type: none"> • Increase inventory turns • Reduce debtor days / steadily convert to cash where possible • Evolve overseas subsidiaries' business models • Maximize cash generation
Operational Excellence & Digital Transformation	<ul style="list-style-type: none"> • Drive safety culture • Align Business and Operational models through process reforms • Implement data-driven decision-making and process efficiency monitoring across the organization • Embark on digital transformation
Organisational Transformation & Talent Management	<ul style="list-style-type: none"> • Invest in the right talent from hiring to development to rewarding • Succession planning • Transparent performance management mechanism • Continue to nurture the culture of diversity, equity, inclusiveness and belonging • Improve vertical, cross-functional and cross-ASC Group collaboration and communication
Build Sustainable Business	<ul style="list-style-type: none"> • Deliver value and remain a source of pride to our shareholders and other stakeholders • Focus on ESH and respond to trends with agility • Remain aligned with best practices of corporate governance, sustainability objectives and ethical standards • Invest in green/renewable energy to reduce dependency on the external supply • Diversify into associated products/business areas • Develop Business Continuity Plan



Resource Allocation Plans

ILL ensures that appropriate resources are available to assist with the implementation of its strategic objectives.

Appropriate investments have been made in land and production facilities to ensure that demand for our core products can be met efficiently.

All strategic actions are backed with the required managerial and financial resources, as determined by the Board and management.

Relationship Between Company's Results and Management Objectives

The Company's results and its objectives, as outlined above, are very strongly aligned.

Our commitment to corporate governance standards, our employees and our shareholders is detailed in the Sustainability Section of this report as well as the financial and non-financial segments.

RELATIONSHIP WITH STAKEHOLDERS

The management’s objective to enhance stakeholder value is reflected in the financial and non-financial results of the Company. These results are carefully evaluated against this objective to validate the achievements.

Stakeholders	Why they are important	Nature of engagement	Frequency
Shareholders	<ol style="list-style-type: none"> 1. Owners of the Company 2. Expect a fair return on their investment 3. Decisions are made in line with increasing shareholder value 	<ol style="list-style-type: none"> 1. AGM 2. EOGM 3. Interim reports 4. Annual report 5. Website 6. Social media 	<ol style="list-style-type: none"> 1. Annually 2. If/when needed 3. Quarterly 4. Annually 5. Continuously available 6. Continuously available
Customers	<ol style="list-style-type: none"> 1. Buy our products which, in turn, drives our revenue 2. Expect quality and drive demand for our products 3. Are our business partners 	<ol style="list-style-type: none"> 1. Direct relationships 2. Customer gatherings 3. Satisfaction surveys 4. Website 5. Social media 6. Net Promoter Score (NPS) 7. Whatsapp Marketing 	<ol style="list-style-type: none"> 1. Continuous/ongoing 2. Regularly 3. Annually 4. Continuously available 5. Continuously available
Employees	<ol style="list-style-type: none"> 1. Are our key asset 2. Deliver IIL’s success in achieving the highest possible stakeholder value 	<ol style="list-style-type: none"> 1. Interaction with management 2. Performance appraisals 3. Job satisfaction survey 4. Union interactions 5. Employee events 6. Newsletter 7. Website 8. Social media 9. Training & development 10. Town Hall meetings 	<ol style="list-style-type: none"> 1. Daily 2. Annual/semi-annual 3. Annual 4. Regularly 5. Regularly 6. Continuous 7. Quarterly 8. Continuous 9. Regularly 10. Semi-annual
Suppliers	<ol style="list-style-type: none"> 1. Reliable and reasonable provision of raw materials 2. Are our business partners 	<ol style="list-style-type: none"> 1. Direct relationships 2. Meetings 3. Trade shows 4. Website 5. Social media 	<ol style="list-style-type: none"> 1. Daily 2. Regularly 3. Regularly 4. Continuously available 5. Continuously available
Government Bodies	Determine and implement policies that could positively or negatively impact IIL	<ol style="list-style-type: none"> 1. Issue-specific meetings/ discussions/ correspondence 2. Submission of statutory returns and reports 3. Website 4. Social media 	<ol style="list-style-type: none"> 1. As required 2. As required 3. Continuously available 4. Continuously available

Stakeholders	Why they are important	Nature of engagement	Frequency
Local Community	<ol style="list-style-type: none"> 1. Provide manpower for our operations 2. Living environment dependent on the environmental friendliness of our operations 3. Key target of our CSR initiatives 	<ol style="list-style-type: none"> 1. IIL TCF School in Majid Colony 2. IIL-SINA Health Clinic in Majid Colony 3. Mosque in Majid Colony 4. Bus stop in Majid Colony 5. Union and employees 6. Website 7. Social media 8. Street school 	<ol style="list-style-type: none"> 1. Continuous 2. Continuous 3. Continuous 4. Continuous 5. Continuous 6. Continuously available 7. Continuously available 8. Continuously available
Banks	Provision of finance and trade facilities	<ol style="list-style-type: none"> 1. Direct relationships 2. Meetings 3. Financial reporting 4. Website / social media 	<ol style="list-style-type: none"> 1. Regular 2. As needed 3. Periodic 4. Continuously available
Media	Ability to influence brand awareness and perception	<ol style="list-style-type: none"> 1. Advertising campaign 2. Press releases 3. Interviews 	<ol style="list-style-type: none"> 1. Periodic 2. Periodic 3. Periodic

Investor Relations Section on Corporate Website:

IIL has a dedicated and updated Investor's Relations Section on its corporate website (<http://www.iil.com.pk/investors>) which contains comprehensive information that would be interesting and informative for any investor or potential investor. This section includes key Company information, and detailed corporate governance, financial information and other reports, stock and dividends, announcements, and link to SECP website and SECP complaint forms.

RISK & OPPORTUNITY

Risk/Opportunity Category	Major Business Risk/Opportunity	Sensitivity	Source of Risk/Opportunity	Mitigating Factors / Steps to Create Value
Financial Risk	Devaluation of PKR against foreign currencies may negatively impact Company's financial performance	High	External	<ul style="list-style-type: none"> - Ensuring a balanced ratio between export and domestic sales as needed - Appropriate hedging instruments such as forward cover and currency options - Natural hedge provided by exports
	Payment defaults by customers	Low	External	<ul style="list-style-type: none"> - Credit worthiness is assessed for each customer and credit limits are assigned according to our Credit Policy - Export orders are on L/C, advance or credit insured basis
Financial Opportunity	Devaluation of PKR could make IIL exports more competitive in international markets	High	External	<ul style="list-style-type: none"> - Maintaining supply flexibility to take advantage of devaluing PKR to increase exports to suitable export markets
Operational Risk	Volatility in the international price of steel	High	External	<ul style="list-style-type: none"> - Experienced and dedicated Procurement Department along with a diversified supplier base and large volumes keeps IIL relatively insulated stewarded by a senior-level Purchase Committee, from volatility in steel prices
	Energy and water shortage in Pakistan	High	External	<ul style="list-style-type: none"> - IIL has its own captive power generation solar energy system and water supply. The management continues to continuously evaluate alternate energy sources
	Employee turnover amongst senior management positions	Medium-Low	Internal	<ul style="list-style-type: none"> - Strong succession planning and HR policies, employee engagement initiatives, workplace satisfaction surveys, training/development, rotational policies and compensation audits are in place.
	Work place injuries and safety incidents	Medium	Internal	<ul style="list-style-type: none"> - Strong OHSE culture enforced through regular 'safety walks' by senior management, safety trainings and drills and enforcement of safety equipment and protocols, and Annual Safety Week to reinforce message. Appropriate health insurance policies are also in place stewarded by a senior-level OHSE Committee
	Supplier Default	Medium-High	External	<ul style="list-style-type: none"> - Long term relationships with reputable international suppliers with ethical and professional standard operating procedures that reflect our own values. - We maintain sufficient raw material and finished goods inventory to cover our requirements - All raw material is insured for loss during transit

Risk/Opportunity Category	Major Business Risk/Opportunity	Sensitivity	Source of Risk/Opportunity	Mitigating Factors / Steps to Create Value
Operational Opportunity	Sell excess electricity to the national grid	Medium	Internal	- Agreed contracts in place with relevant utility companies to sell excess electricity at pre-agreed rates when available
	Generate incremental revenue from scrap sales	Medium	Internal	- Establish scrap prices in-line with commercial product prices - Diversify buyer base
	Improve delivery times through effective warehousing near major markets	High	Internal	- Increase in finished goods stock to ensure timely delivery to customers. - On-ground stocks at overseas locations
Commercial Risk	Economic downturn may impact demand for products	Medium	External	- ILL's diversified product portfolio and strong export footprint allows the Company to counter economic cyclicality
	Trade protectionism amongst export markets via imposition of tariffs and anti-dumping duties could impact sales	Medium-High	External	- Ensuring that prices and quantum of exports do not pose potential for dumping inquiries. Additionally, maintaining diversity of export markets to limit dependence on one single destination
	Unethical practices by market players leading to lower prices of similar products and misuse of exemptions	Medium-High	External	- ILL has differentiated itself from competition by providing consistent quality for over 50 years. This has allowed the Company to develop a strong brand name which customers seek out and are willing to pay a premium for. Additionally, ILL is able to leverage economies of scale and procurement expertise to maintain price competitiveness.
Strategic Risk	Shift in market dynamics away from steel pipe	Low	External	- Mostly only applicable to water and gas applications. ILL has already established itself in the plastic pipe segment for these applications. ILL also maintains a constant focus of developing diversified markets for its products.
	Shift in production technologies may make and products, prices or non-processes obsolete competitive in local and/or international markets	Low	External	- ILL strongly believes in the philosophy of continuous improvement and firmly applies this to its processes and plants. - Modernization and upgradation of production facilities and investment in new technologies allows ILL to position to respond adequately to any changes in production technologies.

CODE OF CONDUCT

The Code of Conduct is applicable to the Board of Directors as well as all the employees of the Company and employees of local and overseas wholly-owned subsidiaries. Salient features of the Code of Conduct are as follows:

A. Business Ethics

- i) The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings, showing respect for the interest of all stakeholders including its shareholders, employees, customers, suppliers, and society at large.
- ii) The Company is dedicated to providing a safe and non-discriminatory working environment for all employees.
- iii) The Company does not support any political party or contribute funds to groups whose activities promote political interests.
- iv) The Company is committed to providing products that consistently offer value in terms of price and quality and are safe for their intended use to satisfy customer needs and expectations.
- v) The Board of Directors and the management are committed to ensuring that the Company is a responsible corporate citizen and that business is carried out in a sustainable manner.
- vi) The Company's operations shall be carried out with minimum adverse effects on the environment and produce quality products in a healthy and safe working environment.
- vii) The Company as a responsible corporate citizen shall play its part in the betterment of society in the health and education sectors as a part of its Corporate Social Responsibility.

B. Conflicts of Interest

- i) Every employee should conduct his/her personal and business affairs in a manner such that neither a conflict nor the appearance of a conflict, arises between those interests and the interests of the Company.
- ii) An employee should avoid any situation in which he or she, or a family member, might profit personally (either directly or indirectly) from the Company's facilities, its products, or relationships with its vendors or customers.
- iii) An employee should not permit himself/herself (or members of his/her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways, and attendance at conferences and seminars would not be considered a violation of this Code.
- iv) In case an employee is offered or receives something of value which he/she believes may be questionable under this Code, he/ she should disclose the matter.
- v) Conflicts of interest shall be avoided and promptly disclosed where they exist and guidance should be sought from supervisors.

C. Accounting Records, Controls and Statements

- i) All books, records, accounts, and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations and should be maintained accurately.

- ii) Employees are expected to sign only documents or records which they believe to be accurate and truthful.

D. Environment

- i) The Company is committed to carrying its business in an environmentally sound and sustainable manner and promoting the preservation and sustainability of the environment.
- ii) All employees are required to adhere strictly to all applicable environmental laws and regulations that impact the Company's operations.

E. Regulatory Compliance

- i) The Company is committed to making prompt public disclosure of 'material information' as prescribed by the Pakistan Stock Exchange Regulations, if required.
- ii) Where an employee is privy to information which is generally referred to as 'material inside information', the same must be held in strict confidence by the employee involved until it is publicly released or is no longer considered as 'material inside information'.
- iii) Employees shall abide by applicable competition laws and shall not enter into understandings, arrangements or agreements with competitors which have the effect of fixing or controlling prices, dividing and allocating markets or territories or boycotting suppliers or customers.

F. Personal Conduct

- i) All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on company business.
- ii) Employees shall be careful while dealing with personal or business associates and not disclose, divulge, or provide any information regarding the Company to anyone except where the same is used as a part of his/ her official obligations and as required for official purposes and shall abide by the Closed Period announced by the Company from time to time and also sign a Non- Disclosure Agreement if the need arises.
- iii) Employees should avoid any kind of bribery, extortion, and all other forms of corruption.
- iv) Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.
- v) Any legally prohibited or controlled substances, if found in the possession of any employee, will be confiscated and, where appropriate, turned over to the authorities.
- vi) Employees must ensure no instances of personal deliveries using the company's resources, tax number and/or business name.

G. Miscellaneous

- i) Employees are required to comply with this Code of Conduct and are personally responsible for doing so. Employees must comply with any rules set out in this Code of Conduct. Breach of any principles within the Code may result in disciplinary action and a serious breach, such as if any employee is found to be in wanton abuse of the Code and their action can cause reputational risk or damage or financial loss to the Company, may amount to gross misconduct, which may result in dismissal. Further, the Company reserves the right to seek redress and damages from such individuals.

- ii) Employees at all levels will be required to certify annually that they understand the Code and that they are in full compliance with it. The Board monitors the findings of this certification on an annual basis.
- iii) The Company has in place a confidential 'Whistleblowing Policy' as a mechanism and process to encourage the reporting of any non-compliance with the Code of Conduct.
- iv) Employees agree that all right, title and interest in and to all work product resulting from the course of his/her employment with the Company, whether generated or produced by him/her or others or under his/her supervision, whether for the Company and/or for any affiliate or associate of the Company, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, know-how and all intellectual property, including but not limited to patent, copyright, trade secrets and other related rights, belong to the Company and/or the affiliate or associate, as the case may be, exclusively and shall be the exclusive property of the Company and/or the affiliate or associate, as the case may be, and may be used by the Company and/or the affiliate or associate, as the case may be, at any time without any obligation to pay the employee any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company and/or the affiliate or associate, as the case may be, by operation of law or otherwise, the employee hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company and/or the affiliate or associate, as the case may be, and may be used by the Company and/or the affiliate or associate, as the case may be, at any time without any obligation to pay him/her any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company and/or the affiliate or associate, as the case may be, by operation of law or otherwise, the employee hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company and/or the affiliate or associate, as the case may be, without any obligation on the part of the Company and/or the affiliate or associate, as the case may be, to pay him/her any compensation whatsoever, and the employee shall not use the same for any purpose other than for the benefit of the Company and/or the affiliate or associate, as the case may be, nor will he/she pass it on to any other person or institution other than to those approved by the Board of Directors of the Company, and the employee will not take the same with him/her when the employee cease to be an employee of the Company for any reason whatsoever, and the employee shall take all steps and shall execute all such documents as may be necessary or reasonably required by the Company, at the expense of the Company, to procure and ensure that the Company and/or the affiliate or associate, as the case may be, obtains and retains complete and exclusive legal title to any such invention or improvement, and the employee shall assist the Company and/or the affiliate or associate, as the case may be, in obtaining, securing and enforcing the abovementioned intellectual property rights as is needed by the Company and/or the affiliate or associate, as the case may be.
- v) Employee shall not, for a period of three (3) years after separation from the Company, engage directly or indirectly, either as proprietor, stockholder, partner, officer, employee, or otherwise, in any business within Pakistan, which manufactures, produces, distributes or sells products or provides services similar to those manufactured, produced, distributed, sold or provided by the Company and/or any affiliate or associate of the Company.



CHAIRMAN'S REVIEW



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited annual financial results of your Company for the year ended June 30, 2023.

FY 2023 was a difficult year for the world economy and major headwinds of that year will quite likely straddle deep into FY 2024. Significant global challenges were the war in Ukraine, dislocation of international trade, food and energy supply shortages and the rising inflation and interest rates.

On the national front, during FY 2023, the domestic economy faced floods, political polarization, increasing inflation, foreign exchange constraints and supply chain disruptions. Successive increases in the policy rate made businesses cautious of borrowed liquidity as the margins were often not sufficient to recover the cost of borrowing. Large-scale manufacturing shrunk by 10.26%.

The IMF standby arrangement and support of friendly countries helped avert the risk of sovereign default and provided breathing space. Revival of CPEC, anticipated investment by friendly nations and the possibility of a recovery in the agriculture sector (all water reservoirs are full to capacity) provide a glimmer of hope for economic revival in FY 2024.

Over the past few years, your Company has focused on optimizing operations, controlling costs and conserving cash. This helped mitigate the brunt of high interest rates while maintaining the ability to fulfill market demand. In a positive step towards UN Social Development Goal (SDG) #7, the Company commissioned a 1 MW solar energy system at its factory in Karachi and is on course to install another 3 MW of solar energy in Karachi and Sheikhpura. We are firmly committed to reducing our carbon foot print by investing in green energy.

The Company maintained its market share and posted net sales of PKR 26.8 bn, earning a gross profit of PKR 3,422 million, Profit Before Tax of PKR 2,883 million, and Profit After Tax of PKR 2,273 million. This has delivered Earnings per Share (EPS) of Rs. 17.23 to our shareholders. Your Board of Directors has recommended a final cash dividend of Rs. 2.0 (20%) per share. With the interim dividend of Rs. 5.50 (55%) per share already paid during the year, the total dividend for the financial year 2023 will amount to Rs. 7.50 (75%) (FY22: Rs. 8.0) per ordinary share of Rs. 10 each.

IIL and its subsidiary, International Steels Limited (ISL) posted a turnover in excess of PKR 103 billion for the year under review. Group contributions to the national exchequer during the year amounted to PKR 21.8 billion. ISL reported a Profit After Tax of PKR 3.5 billion. Its gross turnover was PKR 77 billion, compared to PKR 91 billion in the preceding year.

A slower economy provided us with the opportunity to focus on brand strengthening activities and to extend our reach to previously untapped markets within Pakistan. Further, our recently established Construction Solutions arm has introduced innovative solutions in this space. During the year under review, the Company also successfully expanded Stainless Steel capacity by commissioning new tube-making and polishing machines creating opportunity for economies of scale.

I would like to acknowledge the dedication displayed by our employees in steering the Company during these challenging times. I am also delighted to report that our CSR efforts continued to proudly support a diverse spectrum of reputable not-for profit entities during the year under review.

Changes to the Board

During the year 2022-23, no casual vacancy arose. Mr. Azam Faruque retired from the Board of Directors on September 30, 2022 at the conclusion of his term. Mr. Faruque joined the BOD in 2009 and served on the Board audit and Human Resource & Remuneration committees. Mrs. Saadia S. Rashid also retired at the conclusion of her term. The Board wishes to place on record its deepest appreciation for the contribution and wise counsel of Mr. Faruque and Mrs. Rashid.

On September 30, 2022, a new Board consisting of eight (8) Directors was elected for a term of three (3) years, whose term will expire on September 30, 2025. In addition to retiring seven (7) directors, Mrs. Selina R. Khan was elected as a non-executive director. I welcome Mrs. Khan and look forward to her contribution.

Performance of the Board

The Board has performed its duties and responsibilities diligently and contributed effectively to guiding the Company in strategic and governance matters. It also played a key role in the monitoring of management performance and assessing major risk areas. The Board was fully engaged in the strategic planning process and supporting the vision of the Company.

The Board recognizes that well-defined corporate governance processes are vital to enhancing corporate accountability and is committed to ensuring high standards of corporate governance to preserve and maintain stakeholder value. All Board members, including independent directors, fully participated in, and contributed towards the decision-making process of the Board.

As Chairman of your Company, I will continue to be responsible for leading the Board, fostering a culture of openness and constructive, wide-ranging debate on key matters, and ensuring that the Board receives information and opinions from management. I remain firmly committed to ensuring that your Company complies with all relevant codes and regulations and that the management continues to take decisions that create value for you in the short, medium and long term.

The Company has an independent Internal Audit department, which stewards a risk-based audit methodology and leads the internal audit function. Internal audit reports are presented to the Board Audit Committee (BAC) on a quarterly basis and areas for improvement are highlighted.

For over a decade now, the Board has conducted its self-evaluation. The evaluation identified areas for further improvement in line with global best practices. The focus remained on strategic growth, business opportunities, risk management and providing oversight to the management. Along with the Board's self-evaluation, the Board Audit Committee (BAC) and the Board Human Resource & Remuneration Committee (HRRC) also carried out their self-evaluations.

The BAC and the HRRC are chaired by Mr. Jehangir Shah and Mr. Mansur N. Khan respectively, both independent directors. The Board normally meets at least once every quarter to review operational results, and once a year to consider the budget for the ensuing financial year while another meeting is focused on strategy.

In closing, on behalf of the Board, I wish to acknowledge the contribution of all our stakeholders, including shareholders, directors, customers, employees, bankers, and suppliers.

While I anticipate that the economic conditions are likely to remain difficult for FY 2024, I am confident that your Board and management are capable and fully committed to face these challenges with resilience and determination, delivering shareholder value, as we have in the past.



Kamal A. Chinoy
Chairman

August 23, 2023

میں اپنے ملازمین کی لگن اور جذبے کا اعتراف کرتا ہوں جنہوں نے ان مشکل حالات کے دوران میں کمپنی کو آگے بڑھانے میں سخت محنت سے کام کیا۔ مجھے یہ بتاتے ہوئے بھی خوشی محسوس ہو رہی ہے کہ ذریعہ جازہ سال کے دوران میں ہماری CSR کی خدمات بھی جاری رہیں اور مختلف شعبہ جات کے معروف غیر منافع بخش اداروں کو تعاون پیش کرنے پر ہمیں فخر ہے۔

بورڈ میں تبدیلیاں

سال 2022-23 کے دوران میں کوئی عارضی اسامی تبدیلی نہیں ہوئی۔ جناب اعظم فاروق اپنی مدت کے اختتام پر 30 ستمبر 2022 کو بورڈ آف ڈائریکٹرز سے ریٹائر ہو گئے۔ جناب فاروق نے 2009 میں بورڈ آف ڈائریکٹرز میں شمولیت اختیار کی اور بورڈ آڈٹ اور ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی میں خدمات انجام دیں۔ سز سعید بایس راشد بھی اپنی مدت ختم کر کے ریٹائر ہو گئے۔ بورڈ جناب فاروق اور سز راشد کی خدمات اور دانشمندانہ مشاورت پر دلی شکر یہ پیش کرتا ہے۔

30 ستمبر 2022 کو آٹھ (8) ڈائریکٹرز پر مشتمل بورڈ تین (3) سال کی مدت کیلئے منتخب ہوا اور ان کی یہ مدت 30 ستمبر 2025 کو اختتام پذیر ہوگی۔ نیز ریٹائر ہونے والے سات (7) ڈائریکٹرز کے علاوہ سز سلیمہ آر خان بطور نان ایگزیکٹو ڈائریکٹر منتخب ہوئیں۔ میں سز خان کو خوش آمدید کہتا ہوں اور ان کی خدمات کا شکریہ ادا کرتا ہوں۔

بورڈ کی کارکردگی

بورڈ نے اپنی ذمہ داریاں تندرستی کے ساتھ نبھائیں اور حکمت عملی اور گورننس کے معاملات میں موثر طور پر کمپنی کی رہنمائی کی۔ اس نے انتظامیہ کی کارکردگی کی نگرانی اور خدمات کے بڑے امیاز کی جانچ میں بھی اہم کردار ادا کیا۔ بورڈ نے حکمت عملی کی منصوبہ بندی کے طریقہ کار اور کمپنی کے ڈیٹا کو سپورٹ کرنے کے لئے پوری تندرستی سے کام کیا۔

بورڈ کا مانتا ہے کہ کارپوریٹ اہتمام کیلئے اعلیٰ ترین کارپوریٹ گورننس کے طریقے ناگزیر ہیں اور اسٹیٹک ہولڈرز کی قدر قائم اور برقرار رکھنے کیلئے کارپوریٹ گورننس کے اعلیٰ معیارات کو یقینی بنانے کیلئے پرعزم ہے۔ تمام بورڈ ممبرز بشمول خود مختار ڈائریکٹرز نے بورڈ کی فیصلہ سازی کے عمل میں بھرپور حصہ لیا اور اپنی خدمات پیش کیں۔

آپ کی کمپنی کے چیئرمین کی حیثیت سے میں بورڈ کی قیادت کی ذمہ داریاں انجام دیتا رہوں گا جس میں آزادی و رائے اور تعمیری کلچر کو پروان چڑھانے، بنیادی معاملات پر وسیع موضوعات پر مباحثہ کا سلسلہ جاری رہے گا اور میں اس بات کو یقینی بنانا چاہتا ہوں کہ بورڈ کو انتظامیہ کی جانب سے معلومات اور آراء وصول ہوتی رہیں۔ میں پوری طرح سے پرعزم ہوں کہ آپ کی کمپنی تمام متعلقہ کوڈز اور ضوابط پر عمل پیرا ہے اور انتظامیہ ایسے فیصلے کرتی رہے گی جو آپ کیلئے قلیل مدت اور طویل مدت میں فائدہ مند ہوں۔ کمپنی کا ایک اپنا اندرونی آڈٹ ڈپارٹمنٹ ہے جو خدمات پر نظر کے آڈٹ طریقہ کار اپنی ہے اور اندرونی آڈٹ کے امور کی انجام دہی کرتا ہے۔ اندرونی آڈٹ کی رپورٹس بورڈ آڈٹ کمیٹی (BAC) کو سامنے بنیادوں پر پیش کی جاتی ہیں جس میں بہتری کے امیاز کی نشان دہی کی جاتی ہے۔

ایک دہائی سے زیادہ عرصے میں، بورڈ نے کلی طور پر خود تشخیصی نظام اپنایا ہے۔ اس تشخیصی نظام کے ذریعے ان امیاز کی نشاندہی کی گئی جہاں عالمی بہترین معمولات کے مطابق عمل کرنے کیلئے مزید بہتری کی ضرورت تھی۔ اس میں زیادہ توجہ حکمت عملی کے مطابق نمو، کاروباری مواقع، رسک مینجمنٹ اور انتظامیہ کو کسی بھی نظر انداز ہونے والے معاملے سے آگاہی فراہم کی گئی۔ بورڈ کے خود تشخیصی نظام کے ساتھ ساتھ، بورڈ آڈٹ کمیٹی (BAC) اور بورڈ ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی (HRRC) نے بھی اپنی خود تشخیصی کا طریقہ اپنایا۔

BAC اور HRRC کمیٹیوں کی صدارت بالترتیب جناب جہانگیر شاہ اور جناب منصور ابن خان کر رہے ہیں، جو دونوں خود مختار ڈائریکٹرز ہیں۔ بورڈ کی میٹنگ عام طور پر آپریٹنگ کے نتائج کا جائزہ لینے کیلئے ہر سہ ماہی میں ایک بار، آنے والے مالی سال کیلئے بجٹ پر غور و خوض کیلئے سال میں ایک بار ہوتی ہیں جبکہ دیگر میٹنگز حکمت عملی کے مطابق منعقد ہوتی ہیں۔

آخر میں، میں بورڈ کی جانب سے اپنے تمام اسٹیٹک ہولڈرز، بشمول شیئر ہولڈرز، ڈائریکٹرز، کسٹمرز، ایمپلائز، پیکرز اور سپلائرز کا شکریہ ادا کرتا ہوں۔ مجھے محسوس ہو رہا ہے کہ مالی سال 2024 میں بھی معاشی حالات کی مشکلات کا سلسلہ جاری رہے گا، مگر مجھے اعتماد ہے کہ آپ کا بورڈ اور انتظامیہ لچکداری اور پختہ عزم کے ساتھ ان چیلنجز کا مقابلہ کرنے کیلئے اہل اور پرعزم ہیں اور ماضی کی طرح، اپنے شیئر ہولڈرز کو بہترین نتائج پیش کریں گے۔

آمین

کمال اے چٹائے

چیئرمین

23 اگست 2023

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کی
کمپنی کے آڈٹ شدہ سالانہ مالیاتی نتائج برائے
سال ختمہ 30 جون 2023 پیش کرتے ہوئے
خوشی محسوس کر رہا ہوں۔



مالی سال 2023 دنیا کی معیشت کیلئے مشکلات کا سال تھا اور اس سال کے بڑے چیلنج مالی سال 2024 میں مزید بڑھنے کے امکانات ہیں۔ نمایاں عالمی چیلنجز میں
یوکرین کی جنگ، چین الاقوامی تجارت کا تیز تر ہونا، خوراک اور توانائی کی قلت اور افراط زر / شرح سود میں اضافہ شامل ہیں۔

مالی سال 2023 کے دوران قومی محاذ پر ملکی معیشت کو سیلاب، سیاسی افراتفری، بڑھتے ہوئے افراط زر، غیر ملکی زرمبادلہ کی پابندیاں اور سپلائی چین میں رکاوٹوں جیسے
مسائل کا سامنا رہا۔ پالیسی ریٹ میں اضافے نے کاروبار کو قرضوں سے متعلق فکر مند کر دیا کہ اس میں مارجن اکثر اتنا کافی ہوتا ہے کہ قرضہ کے حصول کی لاگت بھی وصول نہیں
ہوتی۔ بڑے پیمانے کی صنعتوں کی پیداوار میں %10.26 کمی واقع ہوئی۔

IMF کے اسٹیٹڈ ہائی انتظامات اور دوست ممالک کی مدد کے ذریعے ریاست کے ڈیفالٹ ہونے کا خطرہ ٹل گیا اور کچھ سکون کا سانس ملا۔ CPEC کی تجدید سے دوست
ممالک کی جانب سے سرمایہ کاری اور زراعت کے شعبہ میں بحالی (پانی کے تمام ذخائر گنجائش کے مطابق بھر گئے ہیں) سے مالی سال 2024 میں معاشی بحالی کیلئے امید کی کرن
پیدا ہوئی ہے۔

گزشتہ چند سالوں میں آپ کی کمپنی نے آپریٹرز کو بہتر بنانے، لاگت پر کنٹرول کرنے اور نقد رقم کی بچت پر توجہ مرکوز رکھی۔ اس طرح بلند شرح سود کے دباؤ کو ختم کرنے اور مارکیٹ
کی طلب کو پوری کرنے کی صلاحیت قائم رکھنے میں مدد ملی۔ پوائنٹ سوشل ڈیولپمنٹ گول #7 (SDG) کے مطابق مثبت قدم اٹھاتے ہوئے کراچی میں اپنی فیکٹری میں 1 MW
سولر انرجی کا استعمال شروع کر دیا اور کراچی اور شیخوپورہ میں 3 MW کے سولر انرجی سسٹم کی تنصیب کا انتظام کیا جا رہا ہے۔ ہم گرین انرجی میں سرمایہ کاری کے ذریعے آلودگی کو
کم کرنے کے پختہ عزم پر کاربند ہیں۔

زیر جائزہ سال میں کمپنی نے اپنا مارکیٹ شیئر قائم رکھا اور 26.8 بلین پاکستانی روپے کی خالص سیلز کی، جس سے مجموعی منافع 3,422 ملین روپے، قبل از ٹیکس منافع
2,883 ملین روپے اور بعد از ٹیکس منافع 2,273 ملین روپے حاصل ہوا۔ اس کے نتیجے میں ہمارے شیئر ہولڈرز کیلئے فی شیئر آمدنی (EPS) 17.23 روپے ہوئی۔ آپ کے
بورڈ آف ڈائریکٹرز نے حتمی نقد ڈیویڈنڈ بحساب 2.0 روپے (%20) فی شیئر کی سفارش کی ہے؛ عبوری ڈیویڈنڈ بحساب 5.50 روپے (%55) فی شیئر سال کے دوران
میں پہلے ہی ادا کیا جا چکا ہے اس طرح مالی سال 2023 کیلئے کل ڈیویڈنڈ 7.50 روپے (%75) برائے 10 روپے والے فی عمومی شیئر ہوگا (مالی سال 8.0:22 روپے)
III اور اس کے ذیلی ادارے اعظمیشل اسٹیٹو لیٹیڈ (ISL) نے زیر جائزہ سال کیلئے 103 بلین پاکستانی روپے کی فروخت کی۔ سال کے دوران میں گروپ نے قومی خزانے
میں 21.8 بلین پاکستانی روپے جمع کرائے۔ ISL نے 3.5 بلین روپے کا بعد از ٹیکس منافع حاصل کیا۔ اس کی مجموعی آمدنی 77 بلین پاکستانی روپے رہی جب کہ گزشتہ سال
91 بلین پاکستانی روپے حاصل ہوئی تھی۔

معیشت کی سست روی نے ہمیں اپنے براہ راست مضبوطی کی سرگرمیوں پر توجہ دینے اور پاکستان کے اندراب سے پہلے نظر انداز کی گئی مارکیٹس تک رسائی کا موقع فراہم
کیا۔ اس کے علاوہ ہماری حال ہی میں قائم کردہ کنسٹرکشن سلوشن شاخ نے اس حصے میں جدید سٹروکچر متعارف کروائے۔ زیر جائزہ سال کے دوران میں، کمپنی نے نئی ٹیوب میکنگ
اینڈ پائپنگ مشینوں کے استعمال سے اسٹیل لیس اسٹیل کی گنجائش کو کامیابی کے ساتھ وسیع دی جس کے سبب بڑی تعداد میں معاشی مواقع پیدا ہوئے۔

DIRECTORS' REPORT

The Directors of International Industries Limited are pleased to present their report, along with the audited financial statements of the Company for the year ended June 30, 2023.

BOARD COMPOSITION & REMUNERATION

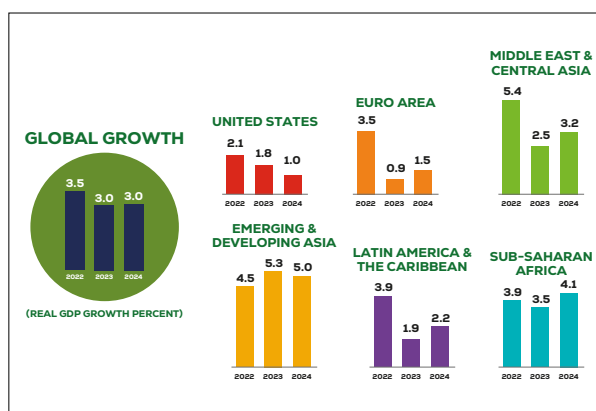
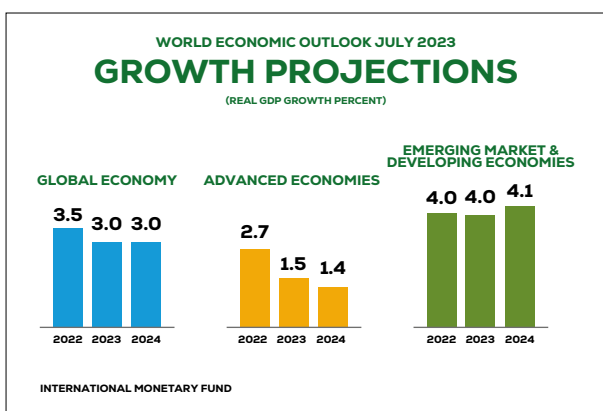
The composition of the Board of Directors, and its sub-committees, is presented on pages 133 & 149 (Corporate Governance) of the Annual Report. The Company has well documented policies and procedures for directors remuneration (note 37 of the unconsolidated financial statements) in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

GLOBAL ECONOMIC OUTLOOK

The current state of the global economy can be best summed up as a 'polycrisis'. The interplay between pandemic, political, economic, and environmental challenges raised the level of uncertainty to unprecedented heights. While the lingering effects of COVID-19 pandemic persisted, the raising of interest rates to fight stubborn inflation weighed in heavily on economic activity. The war in Ukraine fueled uncertainties around world food and energy supply as well as prices. Climate change, excessive floods and droughts made things even more difficult for many nations. High interest rates caused disruption in several emerging economies, particularly in countries with high sovereign debt vulnerabilities.

On the positive side, world supply chain disruptions have begun to unwind and dislocations to energy and food markets caused by the Ukraine war are receding as countries adjust and adapt to the new realities. The tightening of monetary supply by most central banks has started to bear fruit as the rate of inflation has begun to slow down.

The IMF has forecasted global growth at 3% in 2023 and 2024. More importantly, it forecasts that global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and to 5.2% in 2024. The IMF's five-year outlook envisages slow economic growth, recommending global policymakers to focus on controlling inflation, maintaining financial stability, curbing budget deficits and maintaining targeted support for the most vulnerable..

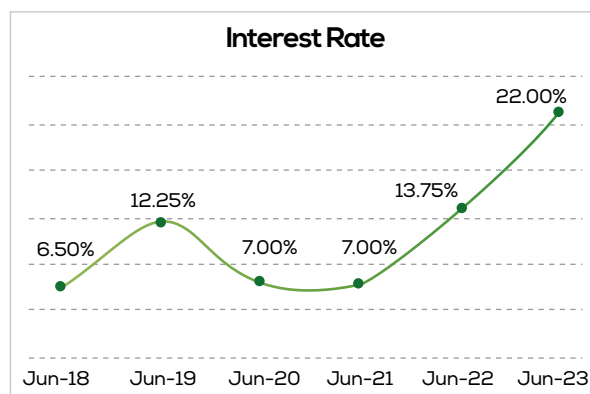
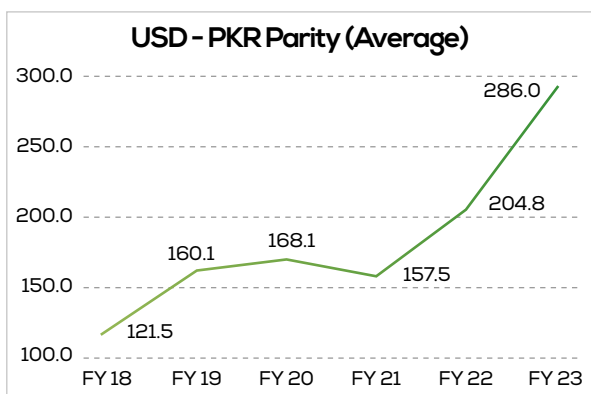
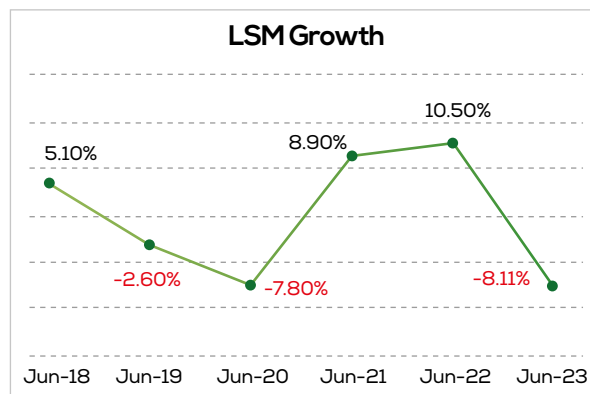
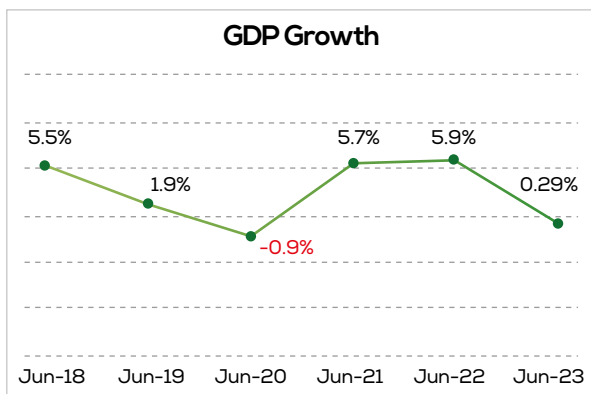


Source: IMF World Economic Outlook, July 2023

DOMESTIC ECONOMY

The VUCA (Volatile, Uncertain, Complex, Ambiguous) global environment, driving economic slowdown and inflationary pressures, has had a substantial impact on Pakistan's economy. Fiscal Year 2022-23 brought extraordinary challenges such as poor demand, rising policy rate, record floods and a fluid political landscape. In addition, the war in Ukraine severely disrupted the global demand-supply balance and increased the prices manifold. The Country's economic growth slowed drastically and large-scale manufacturing (LSM) witnessed contraction in volume. Drastic tightening of monetary policy and controls to curb imports such as rationing of Letters of Credit based on 100% cash margins also impacted business operations. Steep PKR depreciation made overseas employment opportunities attractive which triggered migration along with salary inflation and increased cost of production locally.

In FY2023, Pakistan's GDP grew by 0.3% (1.6% in agriculture, -2.9% in industrial sector, and 0.9% in the services sector). LSM shrunk by 10.26% during FY2023 versus growth of 10.6% in the previous year. The contraction in LSM volumes was witnessed across all major sectors, especially automobiles, textiles and construction. Iron & Steel production dropped by 4.0% during the period under review compared to a growth of 16.6% in the same period last year. Billets/ingots, mainly used by the construction industry, experienced a negative growth of 14.3%. Annual per capita income decreased from US\$ 1,765 to US\$ 1,568 in FY2023. This deceleration was attributed to the significant depreciation of PKR and the contraction in economic activity. The depreciation of the Rupee resulted in record inflation in our import-dependent economy recorded at 28.2% compared to 11.0% during the same period last year.



*Pakistan Bureau of Statistics)

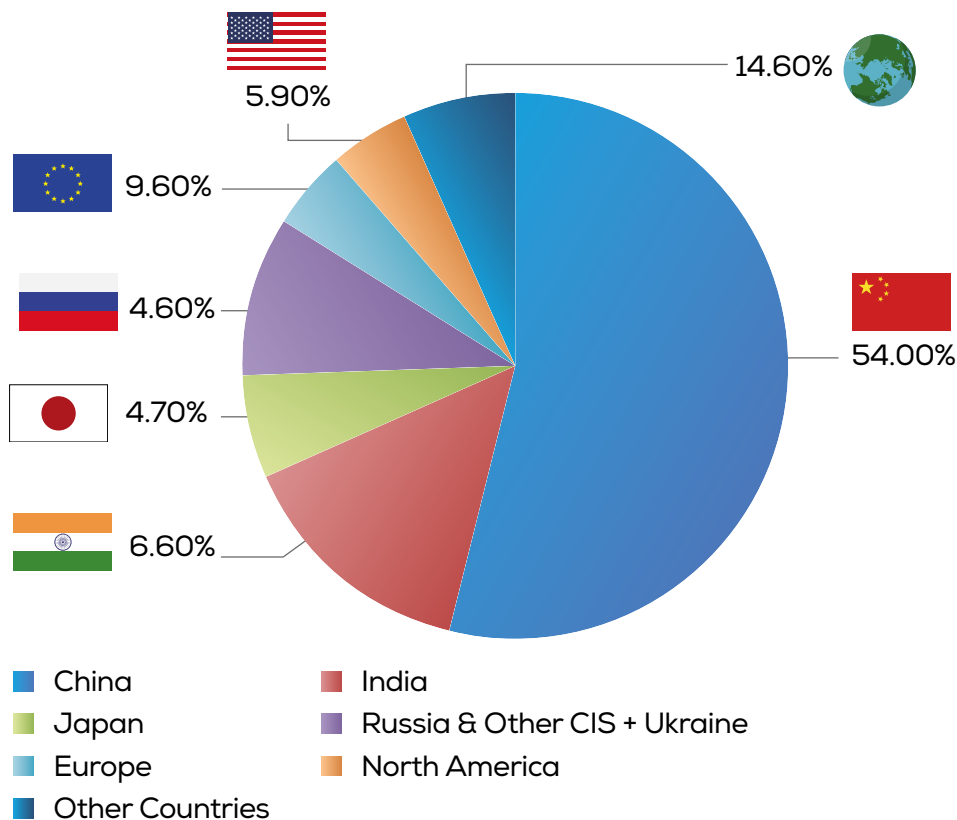
Uncertainties surrounding an IMF agreement finally came to an end as it approved a US\$ 3 billion stand-by agreement and released US\$ 1.2 billion in June 2023. The fears of an imminent sovereign default have been averted. The IMF has forecasted Pakistan’s economic growth for FY 2024 at 3.5%.

GLOBAL STEEL SCENARIO

During CY 2022, the post-pandemic recovery momentum was hampered by high inflation, increasing interest rates, Russia’s invasion of Ukraine, and the lockdowns in China. As a result, steel-using sectors’ activity dampened in the last quarter of CY 2022 and stayed sluggish during the first half of CY 2023. This, combined with the impact of stock rationalization, led to a worse-than-expected contraction in steel demand.

World crude steel production was estimated at 1.9 billion metric tons (MT) in CY 2022, which was 4% lower than the previous year. China accounted for 54% of global crude steel production and was down 2% year on year. Other major players included India (125 million MT), Japan (89 million MT), the United States (81 million MT), and Russia (72 million MT).

WORLD STEEL PRODUCTION 2022

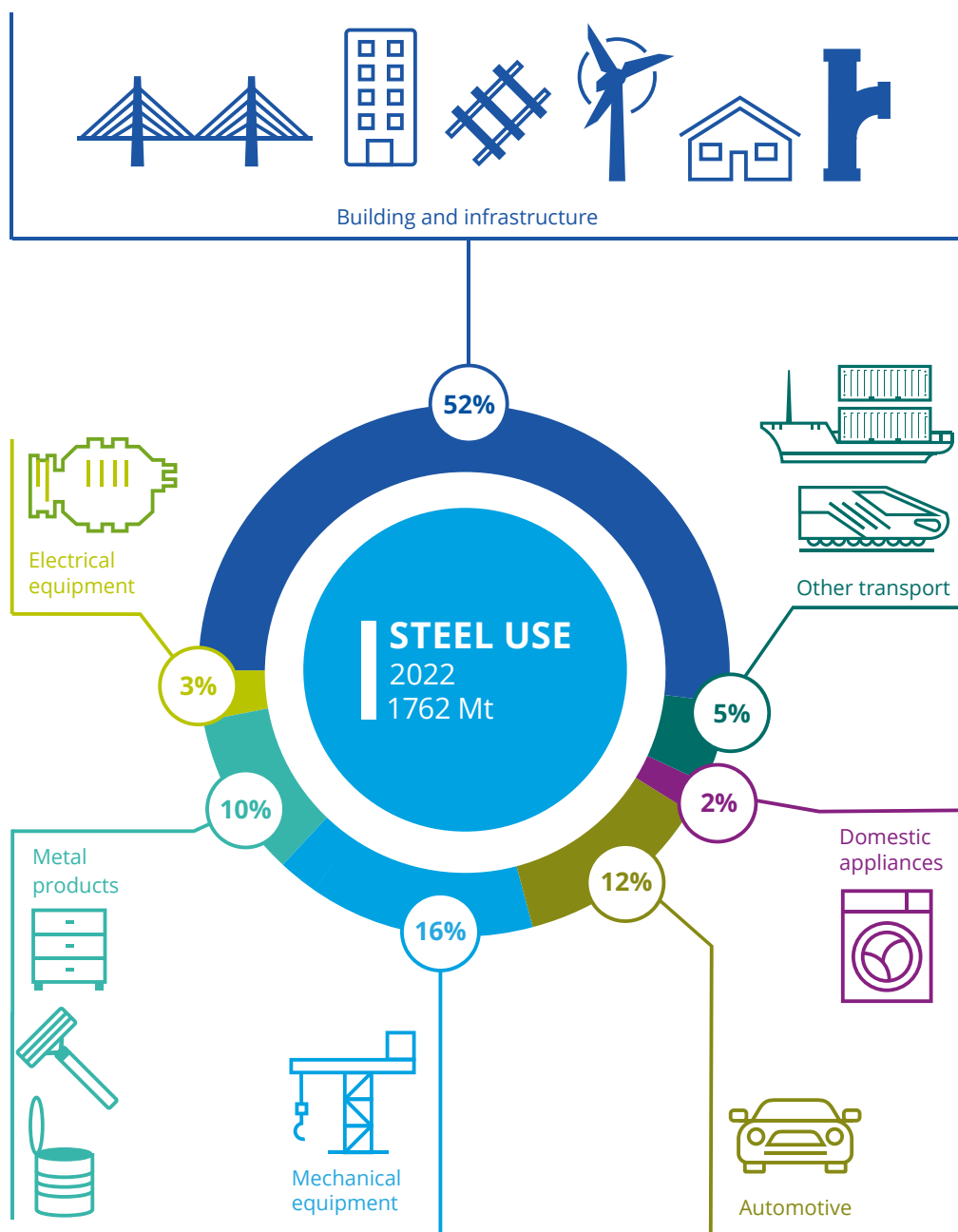


Source: World Steel Association, 2023

STEEL USES

Steel is one of the most commonly used material, be it in vehicles, construction, rails, roads, home appliances, cargo ships, surgical tools, fluid transmission, and so on. There are more than 3,500 different grades of steel with varying physical, chemical, and environmental properties. Approximately 75% of modern steels were developed in the past 20 years.

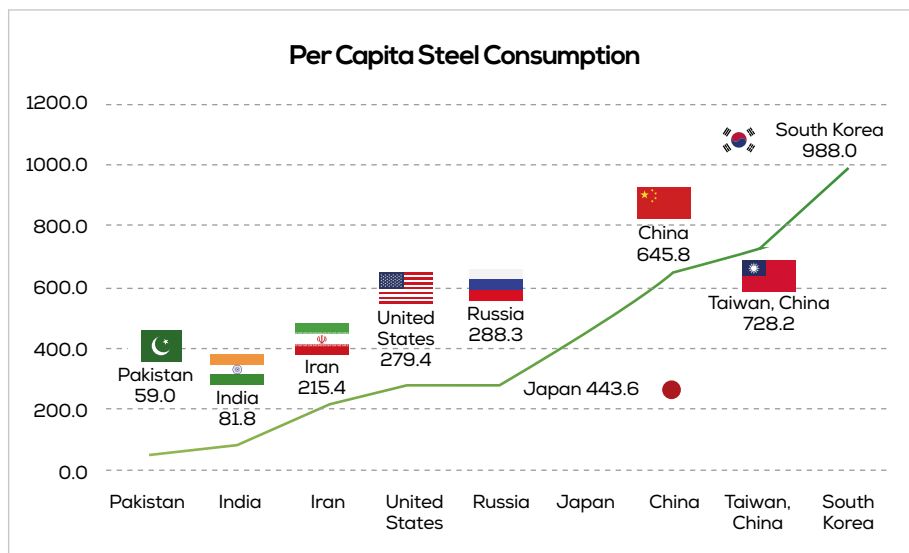
Steel is highly versatile in its uses and is sustainable by virtue of being infinitely recyclable. The steel industry has a tremendous contribution in the development of the world economies, evident from the variety of uses as depicted in the graphic below:



Global steel forecasts this year indicate that demand rebound by a 3.4% to reach 1,822 million tonnes over 1,762 million tons in CY 2022 and will reach 1,854 million tons with a growth of 1.7% in CY 2024. Manufacturing is expected to lead the recovery that, however, may be hampered by high-interest rates. Next year, growth is expected to accelerate in most regions; however, deceleration is expected in China.

Prime Hot Rolled Coil (HRC) prices have fallen sharply, from highs of US\$ 1,100 to just under US\$ 600 per MT during the year under review. While international prices of HRC reduced by nearly 45%, a decline in the Pakistani Rupee value by over 40% has meant that the landed cost of steel in Pakistan remains almost the same.

The World Steel Association’s assessment of steel consumption for 2022 indicates a world average of approximately 222 kg/capita. Pakistan remains well below the world average at an estimated 59 kg/capita, which continues to underline the potential for growth in the domestic steel manufacturing and processing industry.



STEEL TUBE AND PIPE INDUSTRY

The global steel tube and pipe industry manufactures a broad range of welded and seamless tubes & pipes. Steel pipes are used primarily in oil & gas, water, and fluid transmission & distribution, as well as various fencing and fabrication-related applications. Structural steel pipes and Hollow Structural Sections (HSS) are used in high-strength applications in the construction industry, whereas cold-rolled steel tubing is used in automotive parts, bicycles, home appliance manufacturing and various furniture and fabrication-related applications.



According to the International Tube Association, global production of steel tubes & pipes was around 146 million tonnes last year (a decrease of 3.1% year on year), which represents around 8% of total world crude steel output. The welded tubes & pipes segment represents 73% of total tubes & pipes produced, whereas seamless pipe represents 27% of the production share. Chinese steel producers remain on top, producing 83 million tonnes.

Pakistan's steel tubes and pipes market size is estimated at approximately 750,000 MT, out of a total steel products market size of 9-10 million tons. The domestic steel tubes and pipes market is highly fragmented and consists mainly of a large number of small-to-medium-sized manufacturers scattered across the Country. The growth of the industry is closely correlated with the domestic flat steel market which grew by 2.7% in FY 2022-23.

STAINLESS STEEL

Global production of stainless steel was approximately 55 million tonnes in CY 2022 compared to 58 million tonnes in CY 2021 with a CAGR of 6.5% over a 5-year period. Once again, China remained the largest supplier of stainless steel with 58% of the world's output.

Stainless steel tubes and pipes are typically suited for end-uses that require high corrosion and temperature resistance as well as aesthetic appeal. The 300 Series stainless steel, offering strong corrosion inhibition properties, comprised more than 50% of global stainless-steel production. The more economical 200 Series constitutes around 20%, whereas the 400 series, which is primarily used by the automotive sector, constitutes approximately 20% of global production. Your Company's portfolio comprises of all these grades.

Pakistan's average stainless-steel consumption is approximately 0.5 kg/capita whereas the world average is 6 kg/capita; this again indicates a substantial potential for growth in this segment.

Your Company sees strong growth potential in this segment and commissioned a number of tube-making and polishing machines during the year under review to take advantage.

POLYMERS

Our polymer segment produces pipes and fittings for transmission and distribution of water and gas as well as for use in telecommunication and ducting applications. This segment has shown consistent growth over the last decade, both in terms of volumes and profitability. With a strategic objective to continue expanding this segment, the Company has recently introduced uPVC pipes and fittings into its product offerings.



STRATEGIES, OBJECTIVES & CRITICAL PERFORMANCE INDICATORS

ILL remains focused on executing its mission to deliver excellent value to all its stakeholders while adhering to global best practices. The Company plays a leading role in the Country's tubes and pipes industry and strives to continuously improve products and processes to enrich customer experiences and maximize shareholder returns. A detailed description of ILL's strategic imperatives, objectives and critical performance indicators can be found on page 93.

COMPANY OPERATIONS

Our Products

Your Company is the leading manufacturer of tubes and pipes in the domestic market for Galvanized Iron (GI) pipes, Cold Rolled (CR) tubes, Stainless Steel tubes and pipes, HSS and Black and Scaffolding pipes, and Polymer pipes, having the largest product range in the segments it operates in. The IIL brand is a benchmark for quality and has, over several decades, earned enduring loyalty from its customers, dealers and business partners.

Gross Sales

The Company achieved sales volumes of 95,363 MT during FY23, with a turnover of PKR 26.8 Bn (FY22: PKR 37.9 Bn), a decline of 29%.

Domestic Steel Sales

The Company's domestic sales for the year contracted by 18% and were PKR 21.7 Bn (FY22: PKR 26.7 Bn). Volumes were 38% lower than last year due to the difficult business conditions and economic environment during the financial year. The decline in sales volumes was attributable to dampened overall domestic demand in the face of political instability, absence of infrastructure projects, slowdown in the construction sector, frequent shut down of auto industries, difficulties in importing raw materials and misuse of tax exemptions granted for the FATA and PATA regions. Your Company was, however, able to maneuver through the challenges and maintained its market leadership in key segments.

The Company continues to actively enhance commercial and institutional customer engagement via nationwide events, sponsorships, and direct engagement mechanisms. This is part of its keen focus on customer-centricity and maintaining a deep and research-backed understanding of market trends and requirements.

Export Steel Sales

The Company exported products worth USD 20.4 million, which translated to PKR 5 billion (FY22: PKR 11 billion). Our overseas subsidiaries in Australia and North America have played a key role in expanding our global footprint and delivering growth in these key markets. Your Company was ranked amongst the largest exporters from Pakistan in FY 2022 and won the prestigious FPCCI Best Export Performance Award 2022 in its segment for the 22nd consecutive year.



IIL Australia Pty Limited, Melbourne, Australia

IIL Australia, a subsidiary of IIL, provides a stable export avenue in a highly developed market. However, the slow down of the Australian economy has reduced overall industry volumes. Net sales were down to US\$ 16.1 million (FY22: US\$ 31.1 million).

The recent signing of an FTA between Australia and India will skew the advantage in favour of Indian products. IIL Australia has strong relationship with its customers and goes the extra mile to provide unparalleled service – these traits will help maintain IIL Australia as a relevant player in the local market.

IIL Australia has imported over 90,000 MT of product from IIL since its inception and has become a leading supplier in the Australian tubes and pipes market. In recognition of its performance, the Australian Border Force (ABF) accredited the Company as an Australian Trusted Trader (ATT) in June 2022, a prestigious accolade and a first for any Pakistan-origin corporation. Its achievements also include the winning of several business awards and government grants in Australia.



IIL Americas Inc., Toronto, Canada

IIL Americas, also a subsidiary, continues to develop channels of exports for IIL in North America. However, during the year under review, the volume threshold set for the antidumping duties and the normal price reviews by the Canada Border Services Agency (CBSA) adversely affected sales opportunities in some of our more profitable segments. During the year under review, IIL Americas achieved sales of USD 12.1 million (FY22: USD 15.0 million), a decline 20%.

IIL Construction Solutions (Pvt) Limited, Pakistan

IIL Construction Solutions is also a subsidiary. This company was formed to provide innovative solutions to the challenges facing local construction industry. During the year under review, it entered into a strategic partnership with MEVA Schalungs Systeme of Germany, a world-leading company, to offer products and expertise in the area of formwork and shoring solutions in Pakistan.

Net sales of the Company for the year under review were PKR 419 million (FY22: PKR 652 million), lower than last year because of the slowdown in the construction sector.



Stainless Steel Sales

The impact of overall market contraction has also been felt in the Stainless Steel tube segment. Sales shrank by 31% compared to the previous year. During the next financial year, we are hopeful of increased market share on the back of our new SS200 product line featuring an expanded range of diameters and shapes.

Polymer Sales

Turnover of Polymer pipes and fittings was PKR 3.5 billion (FY 2022: PKR 2.7 billion) on the back of strong institutional business and the Company's success in capitalizing on market opportunities.

Safe used of Polymer products depends on the standard of inputs and production. IIL's products that comply with relevant standards whereas the market is inundated with cheaper and inferior-quality products. As a result, the Company has to maintain focus on educating its commercial and institutional customers on the virtues of products that comply with relevant standards. This is an uphill challenge, but it also becomes our unique selling point for customers that care for quality and health of its people.

MANUFACTURING

Faced with an extremely challenging economic environment, your Company focused on optimizing its operations and took several measures to reduce costs in order to combat high inflation. To reduce the dependence on expensive energy options and underline its credentials as a champion of UN Social Development Goal (SDG) #7, the Company commissioned a 1 MW solar energy system at its Karachi factory and is on course to install another 3 MW of solar energy in Karachi and Sheikhpura. Furthermore, in-house expertise was used to reduce operational costs including but not limited to making galvanizing more cost-effective and modifications of existing plant & machinery for expanding the range of hot rolled and UPVC products.

FINANCIAL REVIEW

Company Results

During the year under review, the Company posted net sales of PKR 26.8 Bn, which was 29% lower than last year, earning a gross profit of PKR 3,422 million, Profit Before Tax of PKR 2,883 million, Profit after Tax of PKR 2,273 million and Earnings per Share (EPS) of Rs. 17.23. These results were a fruit of pragmatic working capital and cost management in the face of inflationary pressures, focus on margin optimization, continuous negotiation of the best available borrowing rates from lenders, and significant dividends from our major subsidiary and other investments.

Cost of goods sold for the year at PKR 23,365 million was 30% lower than last year in synchronization with lower sales volumes. Selling and distribution expenses of PKR 1,404 million were 51% lower than last year mainly on account of low export sales volumes and cost curtailment measures. Administrative expenses of PKR 352 million were similar to the previous year, despite rising inflationary pressures.

Other income of PKR 3,089 million was slightly lower than last year mainly due to lower dividend income. Financial charges during the year at PKR 1,732 million were 47% higher than the previous year mainly on account of multiple interest rate increases and relatively higher financing requirements to import raw materials against a backdrop of increasingly disadvantageous exchange rates.

Cash Flow Management and Borrowing Strategy

Financial management remains in the throes of external factors – PKR depreciation and rising interest rates. The nominal cost of financing has almost doubled and the interest rates continue to rise. The Company was able to mitigate financial risk by reducing actual borrowing through efficient inventory management and guiding its subsidiaries to meet their working capital requirements through a combination of own source financing and bank financing arrangements in their home countries of residence. The Company reduced its debt ratio by 4% to 55% which is a significant achievement.

Dividend

Your Board of Directors has recommended a final cash dividend of Rs. 2.0 (20%) per share. With the interim dividend of Rs. 5.50 (55%) per share already paid during the year, the total dividend for the financial year 2023 will amount to Rs. 7.50 (75%) (FY22: Rs. 8.0) per ordinary share of Rs. 10 each.

Appropriations 2023

	Rupees in '000	
	2023	2022
Profit After Tax for the year	2,272,936	2,155,668
Interim Dividend 2023 Rs. 5.50 per share (2022: Rs.. 2.00 per share)	(725,350)	(263,764)
Final Dividend 2023 Rs. 2.0 per share (2022 : Rs. 6.00 per share)	(263,764)	(791,291)

AUDITORS

Reappointment of A. F. Ferguson & Co., Chartered Accountants as auditors of the Company for FY 2024. The recommendations of the BAC for the appointment of the auditors may be referred to on page 154 (Report of the BAC on adherence to the Code of Corporate Governance).

INFORMATION SYSTEMS

We are committed to the process of continuously upgrading and enhancing our IT environment and moving towards greater process automation as well as digitalization. During the year under review, we remained focused on improving and integrating our ERP system to support business operations. Numerous initiatives were taken to improve systems efficiency by introducing bar coding systems for inventory management, a transport management system for real-time information on shipments, and the use of appropriate digital media platforms for e-invoicing and receiving customer feedback.

SOCIAL IMPACT

ILL prides itself on being a responsible corporate citizen and positive contributor to the communities in which it operates, as well as society at large. A detailed look into ILL's social, philanthropic, and environmental protection initiatives can be found in our Sustainability Report available on the Company's website.

HUMAN RESOURCE MANAGEMENT

ILL's ethos includes the firm belief that employees are its biggest asset. Empowering employees with meaningful roles, challenging assignments, growth opportunities and strong learning platforms have paved the way for a more vibrant, effective and motivated organization. The Company has taken several initiatives during the year for the well-being of its employees. A few of these initiatives are as follows:

Occupational Health, Safety and Environment Systems (OHSE)

Employee health and safety is crucial to ILL. We take our responsibility for providing a healthy, safe, and hazard-free environment to our employees and contractors very seriously and strive to achieve this through our OHSE Management System that is stewarded by the HSE Department and is overseen by a senior management level OHSE Committee. To improve safety standards and to prevent incidents at work, the Company imparts appropriate training as a recurring function and provides suitable PPEs to its workforce. Further information on our OHSE initiatives is available in our Sustainability Report.

Succession Planning

The Company has in place succession plans, which includes identification, performance evaluation and appropriate training requirements for the development of future leaders. This means recruiting employees, developing their knowledge and skill sets and preparing them for advancement into more challenging roles. Our succession plan, overseen by the Board's Human Resource & Remuneration Committee (HRRC), is continuously reviewed and updated to address the Company needs in a dynamic and rapidly-changing environment.

Participation in Job Fairs

The Company participated in job fairs held by various top educational institutions to recruit talent with the objective to hire, train, motivate and retain potential successors to the existing workforce.



Apprenticeship Training Program

Our Apprenticeship Training Program operates at all factories with apprentices obtaining training in the areas of production, maintenance, and quality control. A stipend equal to at least the minimum wage is paid to apprentices.

Gratuity Scheme and Provident Fund

The Company provides retirement benefits to its employees including a non-contributory defined benefit Gratuity Scheme for all employees and a contributory Provident Fund for all employees except unionized staff. Both plans are funded schemes recognized by tax authorities.

Employment of Differently-abled People

In pursuance of its own objectives of being a responsible and inclusive corporate citizen and complying with the legal requirements, IIL's workforce includes 20 differently-abled staff members, who are a valuable and integral part of our team.

Employee of the Year and Long Service Awards

The Company has in place Employee of the Year and Long Service Awards programs to motivate staff by acknowledging and rewarding their contribution in terms of value addition, living the Company's values and length of service.



Employee Engagement Survey 2023

An employee engagement survey was conducted during the year, seeking feedback about fairness, communication, compensation, respect, gender diversity and work-life balance. The feedback has helped the Company identify areas for improvement.



CONTRIBUTION TO THE NATIONAL EXCHEQUER

IIL is registered with the Large Taxpayers Unit (LTU) and contributed over PKR 5.06 billion to the national exchequer in the form of Income Tax, Sales Tax, other taxes, duties, and levies during the financial year.

INTERNAL CONTROL FRAMEWORK

The Board has in place an effective internal control framework which may be referred to on page 154.

RISK, OPPORTUNITY, AND MITIGATION REPORT

The management, in consultation with the Board of Directors, continues to develop capabilities to anticipate risks and develop suitable strategies to mitigate them while formulating our strategic roadmap. A detailed Risk & Opportunity Report is presented on page 97.

RELATIONSHIP WITH STAKEHOLDERS

IIL attaches the highest value to all its stakeholders' satisfaction and strives to nurture a positive relationship with them through effective, transparent and timely communication and interaction.

QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

Quarterly unaudited financial statements of the Company, along with Directors' Review, were approved and circulated to the shareholders on a timely basis. Half-yearly financial statements were subjected to a limited scope review by the external auditors. The annual financial statements annexed to this report have been audited by the external auditors, approved by the Board and will be presented to the shareholders at Annual General Meeting for approval. Periodic financial statements of the Company, duly endorsed by the CEO and CFO, were circulated to the directors. Half-yearly and annual accounts were verified by the external auditors before being presented to the Board Audit Committee and the Board of Directors for approval.

CHIEF FINANCIAL OFFICER (CFO), COMPANY SECRETARY, AND CHIEF INTERNAL AUDITOR

The CFO and the Chief Internal Auditor possess the requisite qualification and experience as prescribed in the Code of Corporate Governance whereas the Company Secretary possesses the same as prescribed in the Companies Act, 2017. The appointment, remuneration and terms and conditions of employment of the CFO, Chief Internal Auditor and Company Secretary were determined by the Board of Directors. The removal of the CFO and Company Secretary, whenever applicable, is made with the approval of the Board of Directors.

COMPLIANCE

At IIL, we are firmly committed to ensuring effective governance through the adoption of best business practices and standards. The Board reviews the Company's strategic direction and business plans and performance regularly.

The Board Audit Committee (BAC) is empowered to ensure effective compliance with the Code of Corporate Governance. All related party transactions are placed before BAC for review and recommendation before seeking approval from the Board. Your Board is strongly committed to maintaining the highest standard of corporate governance. For further details, reference can be made to the Code of Corporate Governance section of this report.

CREDIT RATING

VIS Credit Rating Company Limited (VIS) has maintained the entity ratings of International Industries Limited (IIL) at 'AA-/A-1' (Double A minus/A-One). However, the outlook on the steel sector at large has been revised from 'Stable' to 'Rating Watch – Developing' status.

INVESTMENTS

The Company holds a 56.33% ownership interest in its subsidiary, International Steels Limited (ISL), a listed company engaged in the business of processing flat steel products. ISL ended the financial year with sales volume of 308,000 MT, turnover of approximately PKR 76.8 billion and Profit after Tax of PKR 3.5 billion.

Your Company also holds a 17.12% ownership interest in Pakistan Cables Limited (PCL). PCL is a listed company engaged in the business of manufacturing copper rods, wires and cables and is the Country's first manufacturer of copper cables and wires.

ILL has also invested in three wholly-owned subsidiaries; ILL Australia Pty Ltd., ILL Americas Inc., and ILL Construction Solutions (Pvt.) Ltd.

FUTURE PROSPECTS

Polarized politics, steep devaluation of the PKR, stringent import restrictions, rising inflation and interest rates, devastating floods and a looming threat of sovereign default were the major challenges of FY 2023. Many of these challenges have spilled over into FY 2024 and are expected to continue in the medium term.

On a positive note, the conclusion of arrangements with IMF and financial assistance from friendly countries has averted the threat of sovereign default, at least in the short term. Resumption of Phase 2 of CPEC is likely to spur economic activity, especially as Saudi Arabia and UAE governments show interest in investing in Pakistan. Recent rains have filled all three major dams in the country to capacity, which can potentially lead to a recovery in the agriculture sector, which has positive knock-on implications for the automotive and construction industry. As and when the PKR stabilizes and inflation comes under control, policy rate may also decrease making credit more affordable for business activities.

The caretaker government has been vocal about its intention to address the issues surrounding the economy and revive cautious growth. It is hoped that pent up demand may emerge and stimulate business volume. Your company needs to be pragmatically optimistic about the future and be ready to exploit business opportunities as they arise.

ACKNOWLEDGEMENT

We thank all our stakeholders, including shareholders, customers, employees, bankers and suppliers for their continuing commitment to the Company and look forward to sharing more successes with them in the coming years.

We continue to pray for the success of the Company, and the benefit of all stakeholders and the Country in general.

For and on behalf of the Board of Directors



Sohail R. Bhojani
Chief Executive Officer



Kamal A. Chinoy
Chairman

Karachi
Dated: August 23, 2023

اعتراف

ہم اپنے تمام اسٹیک ہولڈرز بشمول شیئر ہولڈرز، کسٹمرز، ملازمین، ڈیکرز اور سپلائرز کے کئی کے ساتھ مسلسل وابستہ رہنے پر ان کے شکر گزار ہیں اور آئندہ سالوں میں ان کے ساتھ مزید کامیابیاں بائنے کے منتظر ہیں۔

ہم کئی کی کامیابی اور تمام اسٹیک ہولڈرز اور مجموعی طور پر پورے ملک کے فائدے کیلئے مسلسل دعا گو ہیں۔

برائے اور جناب بورڈ آف ڈائریکٹرز

- سہیل آر بھوجانی
سہیل آر بھوجانی
چیف ایگزیکٹو آفیسر

آکمال اے چنائے
آکمال اے چنائے
چیئرمین

کراچی

سورج 23 اگست 2023

لریٹ ریٹنگ

VIS کریٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے انٹرنیشنل ایڈمنسٹریٹو لمیٹڈ (IIL) کے ادارے کی ریٹنگ (Double A minus/A-One) برقرار رکھی ہے۔
تغویض کردہ ریٹنگ پر نقطہ نظر تبدیل ہو کر 'Stable' سے 'Rating Watch - Developing' کی حیثیت پر آ گیا ہے۔

سرمایہ کاری

کمپنی اپنے ذیلی ادارے انٹرنیشنل اسٹیلو لمیٹڈ (ISL) میں 56.33% ملکیتی حصص کی حامل ہے جو ایک لسٹڈ کمپنی ہے اور قیٹ اسٹیل پروڈیونگ کے کاروبار میں مصروف عمل ہے۔ ISL نے سال کے اختتام پر فروخت سے تقریباً 76.8 بلین پاکستانی روپے حاصل کئے اور اس کا بعد از ٹیکس منافع 3.5 بلین پاکستانی روپے رہا۔
آپ کی کمپنی کے پاس پاکستان کیملو لمیٹڈ (PCL) کے بھی 17.12% ملکیتی حصص موجود ہیں۔ PCL ایک لسٹڈ کمپنی ہے جو کارپوراڈز تاروں اور کیملو کے کاروبار میں مصروف عمل ہے اور یہ ملک کی پہلی کارپوریشن ہے جو پبلک ٹریڈنگ پر مشتمل ہے۔

IIL نے تین مکمل ملکیتی ذیلی اداروں IIL Americas Inc., IIL Australia Pty Ltd اور IIL Construction Solutions (Pvt.) Ltd میں بھی سرمایہ کاری کی ہے۔

مستقبل کے امکانات

ہنگامہ خیز سیاست، پاکستانی روپے کی قدر میں تیزی سے کمی، برآمدات پر سخت پابندیاں، افراط زر اور شرح سود میں تیزی کے ساتھ اضافہ، تاجہ کن سیلاب اور ریاست کے دیوالیہ ہونے کا طویل المدت خطرہ، مالی سال 2023 کی نمایاں خیریں تھیں۔ ان میں سے کئی چیلنج مالی سال 2024 میں مزید بڑھنے کی توقع ہے اور بہت جلد ختم ہونے کے کوئی آثار نہیں ہیں۔

ایک مثبت پیش رفت یہ ہے کہ IMF کے ساتھ انتظامات نتیجہ خیز طور پر اختتام پذیر ہوئے اور دوست ممالک سے مالی امداد سے ریاست کے دیوالیہ ہونے کا خطرہ کم از کم فی الحال ٹل گیا۔ CPEC کے دوسرے مرحلے کے دوبارہ شروع ہونے سے معاشی سرگرمیوں کے آغاز کے آہار بھی نظر آرہے ہیں، خاص طور پر سعودی عرب اور یو اے ای کی حکومتوں نے پاکستان میں سرمایہ کاری میں دلچسپی کا اظہار کیا ہے۔

حالیہ بارشوں سے ملک کے تمام تینوں بڑے ڈیم اپنی گنجائش تک بھر گئے، جس سے خریف اور بیج کی فصلوں کے زبردست ہونے کی توقع ہے۔ نیز اچھی زرعی پیداوار عموماً فزیکٹر، موٹر سائیکل اور دوسری آٹو کی فروخت کے علاوہ تعمیراتی صنعت کی بحالی کا سبب ہوتی ہے۔

پاکستانی روپے کی قدر میں استحکام آنے اور افراط زر پر کنٹرول سے پالیسی ریٹ میں کمی آسکتی ہے جس سے کاروبار کی دوبارہ بحالی کے لئے کریڈٹ کے حصول میں آسانی ہوگی۔

حکومت نے معیشت سے متعلق مسائل کے حل کرنے کی کوششوں کا عندیہ دیا ہے۔ گزشتہ کئی سال سے معیشت کے سلسلے میں کسی بڑے انفراسٹرکچر پروڈیکشن کا کام نہیں ہوا، لیکن اب توقع ہے کہ اس رکی ہوئی طلب کے مطابق کوئی آغاز ہو جائے اور کاروباری حجم میں اضافہ کی حوصلہ افزائی ہوگی۔
آپ کی کمپنی کو ان حقائق کا بخوبی ادراک ہے اور اس بناء پر کمپنی کسی بھی وقت پیدا ہونے والی طلب کو پورا کرنے کیلئے خاطر خواہ وسائل اور پروڈکشن کی گنجائش کے ساتھ تیار ہے۔

قومی خزانے میں حصہ

III لارج ٹیکس ہیریز پونٹ (LTU) کے ساتھ رجسٹرڈ ہے اور مالیاتی سال کے دوران میں آگم ٹیکس، سیلز ٹیکس، دیگر ٹیکسز، ڈیویڈنڈ اور لیویز کی صورت میں 5.06 بلین پاکستانی روپے سے زائد کی رقم قومی خزانے میں جمع کرائی۔

اندرونی کنٹرول فریم ورک

بورڈ کا ایک موثر اندرونی کنٹرول فریم ورک موجود ہے جو صفحہ 154 پر دیکھا جاسکتا ہے۔

خدشات، مواقع اور تدارک کی رپورٹ

انتظامیہ، بورڈ آف ڈائریکٹرز کی مشاورت سے اپنی حکمت عملی کے پروگرام کی تیاری کرتی ہے اور مسلسل خدشات کے امکانات اور ان کے تدارک کی صلاحیت ڈیولپ کرنے کیلئے موزوں حکمت عملی تیار کرتی ہے۔ خدشات اور مواقع کی تفصیلی رپورٹ صفحہ 97 پر درج ہے۔

اسٹیک ہولڈرز کے ساتھ تعلقات

III اپنے تمام اسٹیک ہولڈرز کے اطمینان کو اولین ترجیح دیتی ہے اور موثر، شفاف اور بروقت کمیونٹی کیشن اور باہمی رابطے کے ذریعے مثبت تعلقات کے قائم رکھنے کی کوشش کرتی ہے۔

سہ ماہی اور سالانہ مالیاتی ایشیٹمنٹس

کمپنی کے سہ ماہی غیر آڈٹ شدہ مالیاتی ایشیٹمنٹس مع ڈائریکٹرز کا جائزہ بروقت منظور کیا گیا اور شیئر ہولڈرز میں تقسیم کیا گیا۔ ششماہی مالیاتی ایشیٹمنٹس بیرونی آڈیٹرز کے محدود اسکوپ کے جائزے کے ساتھ مشروط ہے۔ سالانہ مالیاتی ایشیٹمنٹس اس رپورٹ کے ساتھ منسلک ہیں جو بیرونی آڈیٹرز سے آڈٹ شدہ اور بورڈ سے منظور شدہ ہیں اور یہ سالانہ اجلاس عام میں شیئر ہولڈرز کو منظوری کیلئے پیش کئے جائیں گے۔

کمپنی کے مختلف مدتوں کے مالیاتی ایشیٹمنٹس، جو CEO اور CFO سے باقاعدہ تصدیق شدہ ہیں، ڈائریکٹرز کے درمیان تقسیم کئے گئے۔ ششماہی اور سالانہ کاؤنٹس، بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کو منظوری کیلئے پیش کرنے سے قبل بیرونی آڈیٹرز سے تصدیق کرائے گئے۔

چیف فنانس آفیسر (CFO)، کمپنی سیکرٹری اور ہیڈ آف انٹرنل آڈٹ

CFO اور ہیڈ آف آڈٹ، کوڈ آف کارپوریٹ گورننس کی مجوزہ مطلوبہ قابلیت اور تجربے کے حامل ہیں جبکہ کمپنی سیکرٹری کینیڈا ایکٹ 2017 میں درج شرائط کے مطابق اہلیت رکھتے ہیں۔ بورڈ آف ڈائریکٹرز CFO، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکرٹری کے تقرر، مشاہرے اور ملازمت کے شرائط و ضوابط کا تعین کرتا ہے۔ CFO اور کمپنی سیکرٹری کو عہدے سے ہٹانے کیلئے، جہاں لاگو ہو، بورڈ آف ڈائریکٹرز کی منظوری حاصل کی جاتی ہے۔

اصول پسندی

III میں ہم بہترین کاروباری معمولات اور معیارات پر عمل کر کے موثر گورننس کو یقینی بنانے کیلئے پرعزم ہیں۔ بورڈ کمپنی کی حکمت عملی کے رخ اور کاروباری منصوبہ جات اور کارکردگی کا باقاعدگی سے جائزہ لیتا ہے۔

بورڈ آڈٹ کمیٹی (BAC) کوڈ آف کارپوریٹ گورننس پر مشروط طور سے عمل درآمد کو یقینی بنانے میں بااختیار ہے۔ متعلقہ پارٹیز سے تمام لین دین بورڈ کی منظوری حاصل کرنے سے پہلے منظوری اور سفارشات کیلئے BAC کے سامنے پیش کیا جاتا ہے۔ آپ کا بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو قائم رکھنے کیلئے سختی سے پرعزم ہے۔ مزید تفصیلات کیلئے اس رپورٹ کے کوڈ آف کارپوریٹ گورننس کا جائزہ لیا جاسکتا ہے۔

انسانی وسائل کی منجھٹ

III. کی اخلاقی اقدار میں ہمارا پختہ یقین بھی شامل ہے کہ ملازمین ہمارا سب سے بڑا اثاثہ ہیں۔ ملازمین کو مفید کردار ادا کرنے کیلئے ہمارا اختیار بنانے، چیلنج پر مبنی اسٹیمٹس، ترقی کے مواقع اور سیکھنے کے مضبوط پلیٹ فارم مہیا کرنے کی بناء پر ہم زیادہ متحرک، موثر اور پر جوش ادارہ کی حیثیت کے حامل ہیں۔ کمپنی نے سال کے دوران میں اپنے ملازمین کی صحت و سلامتی کے مختلف اقدامات کئے ہیں۔ ان اقدامات میں سے چند درج ذیل ہیں:

پیشہ ورانہ صحت، تحفظ اور ماحولیات کا نظام (OHSE)

ملازمین کی صحت اور تحفظ III میں نہایت اہم ہے۔ ہم اپنے ایمپلائز اور کنٹریکٹرز کو صحت، تحفظ کے ساتھ خطرات سے پاک ماحول فراہم کرنے کی ذمہ داری سمجھتی ہیں اور اس کیلئے OHSE منجھٹ سسٹم استعمال کرتے ہیں جو ہمارا HSE ڈیپارٹمنٹ چلاتا ہے۔ حفاظتی معیارات کی بہتری اور کام کی جگہ پر حادثات سے بچاؤ کیلئے کمپنی ایک مسلسل طور پر مناسب تربیت فراہم کرتی ہے اور اپنی افرادی قوت کو موزوں PPEs فراہم کرتی ہے۔ ہمارے OHSE کے اقدامات کے بارے میں مزید معلومات ہماری سسٹم ایپلیٹی رپورٹ میں دستیاب ہیں۔

جائشی کی پلاننگ

کمپنی کا اپنے مستقبل کے قائدین کیلئے ایک جائشی پلان موجود ہے جس میں ان کی ڈیولپمنٹ کیلئے شناخت، کارکردگی کی جانچ اور مناسب تربیت شامل ہے۔ اس سے مراد ہے کہ ایمپلائز کو بھرتی کرنا، ان کی معلومات اور صلاحیتوں کو جاننا اور انہیں آگے بڑھ کر زیادہ چیلنج والے کردار ادا کرنے کیلئے تیار کرنا ہے۔ ہمارا جائشی پلان بورڈ کی ہیومن ریسورس اینڈ ریموڈیشن کمیٹی (HRRC) کی نگرانی میں تیار کیا گیا ہے اور اس کا مسلسل جائزہ لیا جاتا ہے اور اس کو متحرک اور تیزی سے بدلتے ہوئے ماحول میں کمپنی کی ضروریات کے مطابق اپ ڈیٹ کیا جاتا ہے۔

جاب میلے میں شرکت

کمپنی نے مختلف اعلیٰ تعلیمی اداروں میں منعقد ہونے والے مختلف جاب میلوں میں شرکت کی جس کا مقصد تھا کہ بہترین باصلاحیت افراد کی خدمات حاصل کی جائیں، ان کو تربیت دی جائے اور متحرک کیا جائے اور ہماری موجودہ افرادی قوت کے جائیشیوں کے طور پر کمپنی میں شامل کیا جائے۔

اپرٹنس شپ ٹریننگ پروگرام

ہمارا اپرٹنس شپ ٹریننگ پروگرام تمام فیکٹریز میں منعقد ہوتا ہے جہاں اپرٹنس پروڈکشن، دیکھ بھال اور کوالٹی کنٹرول کے شعبوں میں تربیت حاصل کرتے ہیں۔ اپرٹنس کو کم سے کم اجرت کے مساوی وظیفہ دیا جاتا ہے۔

گرہجویٹی اسکیم اور پروڈیونٹ فنڈز

کمپنی اپنے ملازمین کو ریٹائرمنٹ کے فوائد فراہم کرتی ہے جس میں نان کنٹری بیوری گریجویٹی اسکیم بھی شامل ہے۔ تمام ملازمین کیلئے گریجویٹی اسکیم کے علاوہ ایک کنٹری بیوری پروڈیونٹ فنڈ بھی ہے جو یونین کے اسٹاف کے علاوہ ہے۔ فنڈز کے دونوں پلان گیس اتھارٹیز سے تسلیم شدہ ہیں

خصوصی افراد کی اسٹاف میں شمولیت

ایک ذمہ دار اور کارپوریٹ شہری ہونے کی حیثیت سے اور اپنے مقاصد کی پیروی میں III کی افرادی قوت میں قانونی شرائط کے مطابق 20 خصوصی اسٹاف ممبرز شامل ہیں جو ہمارا قیمتی سرمایہ اور ہماری ٹیم کا اہم حصہ ہیں۔

سال کے بہترین ایمپلائز اور طویل سروس کے ایوارڈز

کمپنی نے اپنے اسٹاف کیلئے سال کے بہترین ایمپلائز اور طویل مدت کی سروس کے ایوارڈز کے پروگرام بھی رکھے ہیں جو ان کی خدمات کے اعتراف اور طویل عرصے کی سروس کے صلے میں ان کی حوصلہ افزائی کیلئے دیے جاتے ہیں۔

ایمپلائز انگیجمنٹ سروسے 2023

سال کے دوران میں ایمپلائز انگیجمنٹ سروسے کا انعقاد کیا گیا اور شفافیت، کمیونٹی کیشن، معاوضہ، احترام، صنفی تنوع اور ورک لائف بیلنس کے بارے میں فیڈ بیک حاصل کی گئی۔ اس فیڈ بیک سے کمپنی کو ان امریکاز کی نشاندہی میں مدد ملی جہاں بہتری کی ضرورت ہے۔

دیگر آمدنی کی مدد میں 3,089 ملین پاکستانی روپے وصول ہوئے جو ڈیویڈنڈ کی آمدنی کم ہونے کے باعث معمولی سے کم تھے۔ سال کے دوران میں مالیاتی چارجز 1,732 ملین پاکستانی روپے ہوئے جو گزشتہ کے مقابلے میں 47% زیادہ ہیں۔ اس کی وجہ شرح سود میں کمی گنا اضافہ اور زر مبادلہ کی شرح میں اضافے کے باعث نقصانات کے سبب خام مال کی درآمد پر نسبتاً زیادہ ٹرانسنگ کی ضرورت تھی۔

نقد بہاؤ کی منجھوت اور قرضہ کے حصول کی حکمت عملی

مالیاتی منجھوت بیرونی عناصر؛ پاکستانی روپے کی قدر میں کمی اور بڑھتی ہوئی شرح سود کی زد میں رہی۔ ٹرانسنگ کی لاگت بھی تقریباً دوگنی ہوگئی کیونکہ ہماری معیشت درآمدات پر مبنی ہے جہاں تقریباً ہر چیز درآمد کی جاتی ہے اور شرح سود بھی مسلسل بڑھتی ہے جس کے نتیجے میں ہم ایک مکمل طوفان کی زد میں ہیں اور ذرا سی چوک سے کاروبار شدید مالیاتی بحران کا شکار ہو سکتا ہے۔

کمپنی نے انٹرنی کی مستند منجھوت کے ذریعے اصل قرضہ جات کو کم کر کے اپنے مالیاتی خدشات کو ختم کیا اور اپنے ذیلی اداروں کو اپنی جاری سرمایہ کاری کی ضروریات کو اپنے ذرائع سے ٹرانسنگ کر کے یا اپنے رہائشی ملک میں بینک ٹرانسنگ کے انتظامات کے ذریعے پوری کرنے کیلئے رہنمائی فراہم کی۔ کمپنی نے اپنے قرض کی شرح میں 4% کمی کر کے 55% پر لے آئی اور اس لحاظ سے یہ بڑی کامیابی ہے۔

ڈیویڈنڈ

آپ کے بورڈ نے حتمی نقد ڈیویڈنڈ بحساب 2.00 روپے (20% فی شیئر) ادا کرنے کی سفارش کی ہے۔ نیز عمومی ڈیویڈنڈ بحساب 5.50 روپے فی شیئر (55%) ہے جو گزشتہ سال ادا کیا گیا تھا جس کو ملا کر مالی سال 2023 کیلئے کل ڈیویڈنڈ بحساب 7.50 روپے (75%) ہوگا۔ (مالی سال 2022: 8.0 روپے) برائے 10 روپے والے فی عمومی شیئر۔

روپے '000 میں		
2022	2023	
2,155,668 (263,764)	2,272,936 (725,350)	سال کیلئے بعد از ٹیکس منافع عبوری ڈیویڈنڈ 2023 5.50 روپے فی شیئر (2022: 2.00 روپے فی شیئر)
(791,291)	(263,764)	حتمی ڈیویڈنڈ 2023 2.00 روپے فی شیئر (2022: 6.00 روپے فی شیئر)

آڈیٹرز

مالی سال 2024 کیلئے کمپنی کے آڈیٹرز کے طور پر اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی منظوری دے دی گئی ہے جس کی سفارش بورڈ آڈٹ کمیٹی نے کی تھی۔ (صفحہ 154 - BAC کی کوڈ آف کارپورٹ گورننس کی بیرونی رپورٹ)

معلومات کے نظام

ہم اپنے IT کے شعبہ کو مسلسل اپ گریڈ کرنے، اس میں اضافہ کرنے اور طریقہ کار کی بہتر آڈیٹیشن کے ساتھ ساتھ ڈیجیٹلائزیشن اختیار کرنے کیلئے پرعزم ہیں۔ زیر جائزہ سال کے دوران میں ہم نے اپنی توجہ کاروباری آپریشنز کی سہولت کیلئے ERP کو بہتر بنانے اور مضبوط کرنے پر مرکوز رکھی۔ سسٹمز کی استعداد کو بہتر بنانے کیلئے متعدد اقدامات کئے گئے جن میں انٹرنیٹ منجھوت کیلئے بارکوڈنگ سسٹمز، چنٹل پر بروقت معلومات کیلئے ٹرانسپورٹ منجھوت سسٹم اور ای انوائسنگ اور صارف کا فیڈ بیک وصول کرنے کیلئے مناسب ڈیجیٹل میٹریٹھاپلیٹ فارمز متعارف کرائے۔

سماجی خدمات

IIL کو ذمہ دار کارپورٹ شہری ہونے اور اپنے گروڈونوچ کی کیونٹیر کے ساتھ ساتھ معاشرے کو مثبت خدمات پیش کرنے پر فخر ہے۔ IIL کی سماجی، علاقہ اور ماحول کے تحفظ کے اقدامات کی تفصیلات ہماری سسٹین ایبلٹی رپورٹ میں دکھی جاسکتی ہیں جو کمپنی کی ویب سائٹ پر دستیاب ہے۔

پاکستان، IIL Construction Solutions (Pvt.) Limited

IIL Construction Solutions بھی ذیلی کمپنی ہے۔ یہ کمپنی مقامی تعمیراتی صنعت کو درپوش مختلف چیلنجز کے جدید حل فراہم کرنے کیلئے تشکیل دی گئی تھی۔ زیر جائزہ سال کے دوران میں آپ کی کمپنی نے دنیا کی ایک معروف کمپنی MEVA Schalungs Systeme of Germany کے ساتھ کاروباری شراکت کا معاہدہ کیا جس کے تحت ہم پاکستان میں ان کے فورم ورک اور شورنگ کے سلوشن کے استعمال کے سلسلے میں اپنی پروڈکشن اور مہارت فراہم کریں گے۔ زیر جائزہ سال میں کمپنی کی خالص سیلز 419 ملین پاکستانی روپے تھی (مالی سال 22: 652 ملین پاکستانی روپے) جو تعمیراتی شعبہ میں سست روی کے باعث گزشتہ سال سے کم رہی۔

اسٹیل لیس اسٹیل کی فروخت

مارکیٹ میں مجموعی طور پر کی کا اسٹیل لیس اسٹیل ٹیوب کے شعبہ میں بھی نمایاں رہا۔ گزشتہ سال کے مقابلے میں سیلز 31% تک سیکڑ گئی۔ ہم پر امید ہیں کہ اگلے مالیاتی سال کیلئے ڈایا میٹر اور شکلوں کی ایک وسیع رینج پر مشتمل اپنی نئی SS200 پروڈکٹ لائن کی بدولت ہمارے مارکیٹ شیئر میں اضافہ ہوگا۔

پولیمیر سیلز

پولیمیر پائپس اور فٹنگز کی فروخت 3.5 ملین پاکستانی روپے ہوئی (مالی سال 2022: 2.7 ملین پاکستانی روپے) جس کی وجہ اداراتی کاروبار کا مضبوط ہونا اور کمپنی کے مارکیٹ میں موجود مواقع میں سرمایہ کاری کر کے کامیابی کا حصول ہے۔

پولیمیر پروڈکشن کی بقا کا انحصار استعمال ہونے والے اجزاء اور پروڈکشن کے معیار پر ہے۔ IIL تمام متعلقہ معیار کے مطابق پروڈکشن تیار کرتا ہے جب کہ مارکیٹ سستی اور غیر معیاری پروڈکشن سے بھری پڑی ہے۔ اس کے نتیجے میں کمپنی کو اپنے تجارتی اور اداراتی صارفین کو پروڈکشن کی خوبیوں کے بارے میں آگاہ رکھنے پر توجہ دینا ہے جو متعلقہ معیار کی بھری میں تیار ہوتی ہیں۔ یہ ایک بڑا چیلنج ہے، لیکن صارفین کیلئے فروخت کا ایک منفرد نکتہ ہے کہ ہم معیار اور اپنے لوگوں کی صحت کا خیال رکھتے ہیں۔

مینیو فیکچرنگ

آپ کی کمپنی نے انتہائی چیلنجنگ ماحول کا مقابلہ کرتے ہوئے اپنے آپریٹنگ کو بہتر سے بہتر بنانے پر توجہ مرکوز رکھی اور بلند افراط زر کے باوجود لاگت کو کم سے کم رکھنے کے اقدامات کئے۔ ہماری قیمتی توانائی پر انحصار کو کم کرنے اور چیلنجنگ آف بوائز سوشل ڈیولپمنٹ گول #7 (SDG) کی تائید میں، کمپنی نے اپنی کراچی فیکٹری میں 1 MW سولر انرجی سسٹم کا آغاز کیا اور مزید 3 MW گھنٹائش کے سسٹم کی کراچی اور شیخوپورہ میں تنصیب کیلئے عمل پیرا ہے۔ ہم اپنے توانائی کے متبادل ذرائع وسیع کرنے کا عمل جاری رکھنا چاہتے ہیں۔ اس کے علاوہ آپریشن کے اخراجات کو کم کرنے کیلئے ان ہاؤس مہارت کا بھی استعمال کیا گیا جس میں گیلوٹائزنگ کو قابل قبول عالمی معیارات کے مطابق زیادہ باکفایت بنایا گیا اور ہاٹ رول اور UPVC پروڈکشن کی رینج کو وسیع کرنے کیلئے موجودہ پلانٹ اور مشینری میں تبدیلی کی گئی۔

مالیاتی جائزہ

کمپنی کے نتائج

زیر جائزہ سال کے دوران میں، کمپنی نے خالص فروخت کی مد میں 26.8 ملین پاکستانی روپے حاصل کئے جو گزشتہ سال سے 29% کم ہیں جبکہ مجموعی منافع 3,422 ملین پاکستانی روپے قبل از ٹیکس منافع 2,883 ملین پاکستانی روپے، بعد از ٹیکس منافع 2,273 پاکستانی روپے اور نیٹ شیئر آمدنی (EPS): 17.23 روپے رہی۔

یہ نتائج حقیقت پسندانہ جاری سرمایہ کاری کے طریقہ اور افراط زر کے دباؤ کے مقابلے میں لاگت کی منجھٹ، زیادہ سے زیادہ مارجن کے حصول پر توجہ، قرض خواہوں سے قرضہ کی بہترین شرائط پر مسلسل گفت و شنید اور اپنے بڑے ذیلی اداروں اور دیگر سرمایہ کاری کے ذرائع سے نمایاں ڈیویڈنڈز کے حصول پر حاصل ہوئے ہیں۔

سال میں فروخت ہونے والے سامان کی قیمت 23,365 ملین روپے رہی جو گزشتہ سال سے 30% کم ہے اور جو کہ فروخت کے کم حجم کی مطابقت سے تھی۔ فروخت اور تقسیم کاری کے اخراجات 1,404 ملین پاکستانی روپے ہوئے جو گزشتہ مدت سے 51% کم ہیں۔ اس کی بڑی وجہ برآمدات کی فروخت کا کم حجم اور لاگت میں کمی کے اقدامات تھے۔

انتظامی اخراجات 352 ملین پاکستانی روپے ہوئے جو افراط زر کے مسلسل بڑھتے ہوئے دباؤ کے باوجود تقریباً گزشتہ سال کے برابر ہیں۔

کمپنی آپریٹرز

ہماری پروڈکٹس

آپ کی کمپنی مقامی مارکیٹ میں ٹیویز اور پائپس کی صف اول کی مینوفیکچرر ہے جو گیلونائزڈ آئرن (GI) پائپس، کولڈ رولڈ (CR) ٹیویز، اسٹین لیس اسٹیل ٹیویز اینڈ پائپس، HSS اور بلیک اینڈ اسکیولڈنگ پائپس اور اپنے کاروباری عمل کے شعبوں میں پولیمر پائپس کی سب سے بڑی پروڈکٹ ریجن تیار کرتی ہے۔ IIL ابراہم بلنڈر ترین معیار کی پروڈکٹ مانی جاتی ہے اور کئی دہائیوں سے اپنے صارفین، ڈیلرز اور ریٹیلرز کی مسلسل وابستگی رکھتی ہے۔

مجموعی فروخت

مالی سال 2023 کے دوران میں کمپنی کا فروخت کا حجم 95,363 MT رہا جس کی اہلیت 26.8 بلین پاکستانی روپے تھی۔ (مالی سال 2022: 37.9 بلین پاکستانی روپے) یعنی 29% کی کمی ہوئی۔

مقامی سطح پر اسٹیل کی فروخت

مذکورہ سال میں کمپنی کی مقامی فروخت 18% کی کمی کے ساتھ 21.7 بلین روپے ہوئی (مالی سال 2022: 26.7 بلین روپے)۔ مالی سال کے دوران میں مشکل کاروباری حالات اور معاشی ماحول کے باعث گزشتہ سال کے مقابلے میں فروخت کا حجم 38% کم رہا۔ فروخت کے حجم میں کمی مجموعی طور مقامی طلب کے گرنے سے بھی آئی جس کی وجوہات میں سیاسی عدم استحکام، انفراسٹرکچر پروجیکٹس کی غیر موجودگی، تعمیرات میں سست روی، آٹو انڈسٹریز کا آئے روز بند ہونا، خام مال کی درآمد میں مشکلات اور FATA اور PATA ریجن کو دینے کے لیے ٹیکس اسٹینڈی کا فطل استعمال شامل ہیں۔ تاہم آپ کی کمپنی ان چیلنجز سے نمٹنے اور بنیادی شعبوں میں اپنی مارکیٹ لیڈر شپ برقرار رکھنے میں کامیاب رہی۔ کمپنی ملک بھر میں تقریبات، اسپانسر شپس اور براہ راست رابطوں کے طریقے سے تجارتی اور اداراتی صارفین کے ساتھ مسلسل فعال طور پر کاروباری تعلقات مضبوط کرنے میں کوشاں ہے۔ یہ ہمارے صارف پر مرکزی توجہ اور مارکیٹ کے رجحانات اور ضروریات کے بارے میں گہرائی کے ساتھ جاننے کے عمل کا حصہ ہے۔

بیرونی ممالک میں اسٹیل کی فروخت

کمپنی نے 20.4 بلین یو ایس ڈالر کی پروڈکٹس برآمد کیں جو پاکستانی کرنسی میں 5 بلین روپے ہے (مالی سال 2022: 11.2 بلین روپے)۔ آسٹریلیا اور شمالی امریکہ میں ہمارے اوور سیز ڈیلی اداواروں نے عالمی کاروبار کو وسیع کرنے میں اہم کردار ادا کیا اور ان اہم مارکیٹس میں منافع بخش عمل کو مظاہرہ کیا۔ آپ کی کمپنی نے مالی سال 2022 میں پاکستان کی سب سے بڑی برآمد کنندہ ہونے کا درجہ حاصل کیا اور اس سلسلے میں مسلسل بائیسویں مرتبہ FPCI Best Export Performance Award 2022 جیتا۔

IIL Australia Pty Limited، میلبورن، آسٹریلیا

IIL Australia کی ایک ڈیلی کمپنی ہے جو اعلیٰ درجہ کی مارکیٹ میں ایک محکم برآمدی مقام کی حیثیت رکھتی ہے۔ تاہم آسٹریلیا کی معیشت میں سست روی کے باعث تمام صنعتوں میں کمی کا سامنا ہے۔

چنانچہ ہماری خالص فروخت 15.88 بلین یو ایس ڈالر ہیں۔ (مالی سال 2022: 31.1 بلین یو ایس ڈالر)

حال ہی میں آسٹریلیا اور اٹریٹھ کے مابین FTA پر دستخط ہوئے جس سے انٹرنیشنل پروڈکٹس کو فائدہ حاصل ہوگا۔ IIL Australia کے صارفین کے ساتھ گہرے تعلقات ہیں اور ہم ان کو اضافی طور پر بہت سی خدمات پیش کرتے ہیں۔ یہ خدمات IIL Australia کو مقامی مارکیٹ میں مساوی حیثیت کا حامل بناتی ہیں۔

IIL Australia نے اپنے قیام سے اب تک 90,000 MT سے زیادہ کی درآمدات کی ہیں اور آسٹریلیا میں ٹیویز اور پائپس مارکیٹ میں صف اول کا سپلائر بن چکا ہے۔ اس کی کارکردگی کے اعتراف میں آسٹریلیا میں بارڈر فورس (ABF) نے جون 2022 میں کمپنی کو

Australian Trusted Trader (ATT) کا اعزاز دیا ہے جو انجوائی باڈی کا اعزاز ہے اور یہ ایوارڈ پہلی پاکستانی کارپوریشن نے حاصل کیا ہے۔ دیگر کامیابیوں میں مختلف کاروباری ایوارڈز اور آسٹریلیا میں حکومتی گرانٹس شامل ہیں۔

IIL Americas Inc.، ٹورنٹو، کینیڈا

IIL Americas بھی ڈیلی کمپنی ہے جو شمالی امریکہ میں IIL کیلئے برآمدات کے نئے امکانات کی تلاش میں مسلسل معروف عمل ہے۔ تاہم زبردست سال کے دوران میں، اسٹیٹ ڈیپنگ ڈیویژن اور کینیڈا ہارڈ ریسورسز ایجنسی (CBSA) کی جانب سے قیمتوں کے جائزے کی بنیاد پر ہمیں بعض انجوائی منافع بخش شعبہ جات میں اپنے مقررہ حجم کی حد کو روکنا پڑا۔ زبردست سال کے دوران میں IIL Americas نے 12.1 بلین یو ایس ڈالر کی سٹیکس (مالی سال 2022: 15.0 بلین یو ایس ڈالر) یعنی 20% کمی ہوئی۔

اسٹیل ٹیوب اینڈ پائپ انڈسٹری

عالمی اسٹیل ٹیوب اینڈ پائپ انڈسٹری ویلڈ ڈاؤن سٹیم لیس ٹیوبز اور پائپس کی وسیع رینج تیار کرتی ہے۔ اسٹیل پائپس بنیادی طور پر اسٹیل اینڈ گیس، پانی اور فلوئڈز کی ترسیل اور تقسیم کیلئے استعمال کرنے کے علاوہ مختلف فنڈنگ اور فیکٹریوں سے متعلق ضروریات کیلئے بھی استعمال ہوتی ہیں۔ اسٹیل کھول اسٹیل پائپس اور ہالواسٹر کچر سیکشنز (HSS) دیرپا مضبوطی کیلئے تعمیرات کی صنعت میں استعمال ہوتے ہیں جبکہ کولڈ رولڈ اسٹیل ٹیوبنگ آٹوموٹیو پارٹس، بائی سائیکلز، کھریلو آلات کی تیاری اور مختلف فرنیچر اور فیکٹریوں کی ضروریات کے لئے استعمال ہوتے ہیں۔

انٹرنیشنل ٹیوب اینڈ پائپ ایسوسی ایشن کے مطابق، گزشتہ سال اسٹیل ٹیوبز اور پائپس کی عالمی پیداوار 146 ملین ٹن کے قریب رہی (سال بہ سال 3.1% کی کمی) جو دنیا کی کل خام اسٹیل کی پیداوار کا 8% کے قریب ہے۔ ویلڈ ڈیوڈ اور پائپس کا شعبہ ٹیوبز اور پائپس کی کل پیداوار کے 73% کی نمائندگی کرتا ہے جب کہ سٹیم لیس پائپ کا کل پروڈکشن میں 27% حصہ ہے۔ چینی اسٹیل پروڈیوسرز 83 ملین ٹن کی پیداوار کے ساتھ نمایاں رہے۔

پاکستان کی اسٹیل کی کل پروڈکشن کی مارکیٹ کا سائز 9-10 ملین ٹن ہے جس میں اسٹیل ٹیوبز اینڈ پائپس مارکیٹ کے سائز کا تخمینہ تقریباً 750,000 MT ہے۔ مقامی اسٹیل ٹیوبز اینڈ پائپس مارکیٹ کئی کلاؤں میں بٹی ہوئی ہے جس میں چھوٹے سے اوسط سائز کے میڈیو ٹیکچررز کی تعداد سب سے زیادہ ہے جو ملک بھر میں پھیلے ہوئے ہیں۔ انڈسٹری کی ترقی مقامی اسٹیل مارکیٹ سے گہرا تعلق ہے جس میں مالی سال 2023 میں 2.7% اضافہ ہوا۔

اسٹیل لیس اسٹیل

کلینڈر سال 2022 میں اسٹیل لیس اسٹیل کی پیداوار تقریباً 55 ملین ٹن ہوئی جب کہ کلینڈر سال 2021 میں 58 ملین ٹن ہوئی اور 5 سال کے عرصے میں 6.5% کی CAGR تھی۔ لیکن، ایک مرتبہ پھر اسٹیل لیس اسٹیل کا سب سے بڑا سپلائر رہا جس کی پیداوار دنیا کی کل پیداوار کا 58% تھی۔

اسٹیل لیس اسٹیل ٹیوبز اور پائپس خاص طور پر اصل صارف کیلئے بہت موزوں ہوتی ہیں جو رنگ اور ٹیمپریچر سے محروم ہونے کے ساتھ دیکھنے میں بھی خوبصورتی کی طلب رکھتے ہیں۔ 300 سیریز اسٹیل لیس اسٹیل رنگ سے محفوظ رہنے کی زبردست خصوصیت کا حامل ہے جو دنیا کی اسٹیل لیس اسٹیل کی پیداوار کا 50% ہے جب کہ زیادہ باکفایت 200 سیریز تقریباً 20% اور 400 سیریز، جو بنیادی طور پر آٹوموٹیو کے شعبہ میں استعمال ہوتا ہے، عالمی پیداوار کا تقریباً 20% ہے۔ آپ کی کمپنی کے پورٹ فولیو میں یہ تمام تینوں گریڈز شامل ہیں۔

پاکستان میں اسٹیل لیس اسٹیل کا کل استعمال تقریباً 0.5 kg/capita ہے جبکہ دنیا کا اوسط 6 kg/capita اور یہ بھی اس شعبہ میں بڑی گنجائش کی نشاندہی کرتا ہے۔

پولیمرز

ہمارا پولیمر کا شعبہ پانی اور گیس کی ترسیل اور تقسیم کے علاوہ ٹیلی کمیونیکیشن اور ڈکننگ میں استعمال کیلئے پائپس اور فٹنگ تیار کرتا ہے۔ اس شعبہ نے گزشتہ دس سال کے عرصے میں حجم اور منافع دونوں لحاظ سے مسلسل ترقی کا مظاہرہ کیا ہے۔ اس شعبہ کی مسلسل توسیع کی حکمت عملی کے ہدف کے ساتھ، کمپنی نے حال ہی میں اپنی پروڈکشن کی پیکیشن میں UPVC پائپس اور فٹنگ متعارف کروائی ہیں۔

حکمت عملی، مقاصد اور اہم کارکردگی کے اشارے

III نے ہمیشہ بہترین عالمی معمولات کو اپناتے ہوئے اپنے اسٹیک ہولڈرز کو بہترین منافع پہنچانے کے مشن پر عمل درآمد کو یقینی بناتا ہے۔ کمپنی ملک کی ٹیوبز اور پائپس کی صنعت میں قائدانہ کردار ادا کر رہی ہے اور صارفین کی پسند کو روچھ کر کرنے اور شیئر ہولڈرز کو زیادہ سے زیادہ منافع پہنچانے کیلئے پروڈکشن اور طریقہ کار کو بہتر سے بہتر بنانے میں مسلسل کوشاں ہے۔

III کی حکمت عملی کے لوازم، مقاصد اور اہم کارکردگی کے اشارے پے صفحہ نمبر 93 پر دیکھے جاسکتے ہیں۔

مالی سال 2023 میں پاکستانی کی جی ڈی پی میں 10.3% اضافہ ہوا (زراعت میں 1.6%، صنعتی شعبہ میں منفی 2.9% اور خدمات کے شعبہ میں 0.9%)۔ مالی سال 2023 میں بڑے پیمانے کی صنعتوں کی پیداوار میں 10.26% سکڑاؤ آیا (پاکستان پیور و آف اسٹیلٹیکس) جبکہ اس کے مقابلے میں گزشتہ سال اسی عرصے میں 10.6% اضافہ ہوا تھا۔ بڑے پیمانے کی صنعتوں کے تمام بڑے شعبوں، خصوصاً آٹوموبائل، ٹیکسٹائل اور تعمیرات میں سکڑاؤ دیکھنے میں آیا۔ زیر جائزہ سال کے دوران میں آئرن اینڈ اسٹیل کی پیداوار میں 4.0% کمی ہوئی جبکہ گزشتہ سال کی اسی مدت میں 16.6% اضافہ ہوا تھا۔

تعمیراتی صنعت میں سب سے زیادہ استعمال ہونے والے پلٹیس / ان گولڈس کی نمو منفی 14.3% رہی۔ مالی سال 2023 میں فی کس آمدنی 1,765 یو ایس ڈالر سے کم ہو کر 1,568 یو ایس ڈالر ہو گئی۔ اس کی وجہ پاکستانی روپے کی قدر میں نمایاں کمی اور معاشی سرگرمیوں میں سست روی تھی۔

روپے کی قدر میں غیر معمولی کمی کے نتیجے میں ہماری درآمدات اپنی معیشت میں 28.2% کاریکارڈ اور فرط زر دیکھنے میں آیا جو کہ گزشتہ سال کے اسی عرصے میں 11.0% تھا۔

IMF سے سمجھوتے کے بارے میں غیر یقینی صورتحال کا خراخرا ختم کو پہنچی اور IMF نے شیڈ بائی معاہدہ کے تحت 3 بلین یو ایس ڈالر کی منظوری دی اور جون 2023 میں 1.2 بلین یو ایس ڈالر ریلیز کر دیے۔ ریاست کے فوری طور پر دیوالیہ ہونے کا خدشہ بھی ختم ہوا۔ IMF نے مالی سال 2024 کیلئے پاکستانی کی معاشی ترقی کی شرح 3.5% ہونے کی پیش گوئی کی ہے۔

عالمی اسٹیل کا منظر نامہ

کیلنڈر سال 2022 کے دوران میں وبا کے بعد بحالی کے عرصے میں بلند فرط زر اور بڑھتی ہوئی شرح سود، روس کے پوکریں پر حملے اور چین میں لاک ڈاؤن نے بحالی کی رفتار کو بری طرح متاثر کیا۔ اس کے نتیجے میں کیلنڈر سال 2022 کی آخری سہ ماہی میں اسٹیل استعمال کرنے والے شعبہ کی سرگرمیاں ماند پڑ گئیں اور کیلنڈر سال 2023 کی پہلی ششماہی میں بھی سست روی کا شکار رہیں۔ اس کے ساتھ اسٹاک کی راہتگ کے اثر سے اسٹیل کی طلب میں توقع سے کمیں زیادہ کمی آئی۔

کیلنڈر سال 2022 میں دنیا میں خام اسٹیل کی پیداوار کا تخمینہ 1.9 بلین میٹرک ٹن (MT) لگایا گیا جو گزشتہ سال کے مقابلے میں 4% کم ہے۔ چین کی پیداوار عالمی خام اسٹیل کی کل پیداوار کا 54% رہی جو سال بہ سال 2% کم ہے۔ دوسرے بڑے مقابلے میں (125 ملین ٹن)، جاپان (89 ملین ٹن)، یوٹائیٹڈ اسٹیلٹس (81 ملین ٹن) اور روس (72 ملین ٹن) شامل ہیں۔

اسٹیل کے استعمال

اسٹیل کا شمار سب سے زیادہ استعمال ہونے والے میٹریل میں ہوتا ہے، جن میں گاڑیاں، تعمیرات، ریل، ہرڈ کیس، گھریلو آلات، کارگو شپس، ہرجیکل کا سامان، ٹرانسپورٹ کی ترسیل وغیرہ شامل ہیں۔ اسٹیل کے کم دیش 3,500 گریڈ ہیں جو فزیکل، کیمیکل اور ماحولیاتی خصوصیات کی وراثی پر مشتمل ہیں۔ گزشتہ 20 سالوں میں تقریباً 75% جدید اسٹیل ڈیولپ کیا گیا۔ اسٹیل کے استعمال میں بھی بہت متنوع ہے اور لاتعداد درجہ سائیکل ہونے کی صلاحیت کی بنا پر زیادہ پائیدار ہے۔ دنیا کی معیشت کی ترقی میں اسٹیل انڈسٹری کا بہت بڑا حصہ ہے جو اس کے استعمال کرنے والوں کی متعدد اقسام سے ظاہر ہے۔

عالمی اسٹیل کے بارے میں اس سال کی پیش گوئیوں کے مطابق اس سال اس کی طلب کیلنڈر سال 2022 کی 1,781 ملین ٹن سے دوبارہ 2.3% کی بھرتی آنے کے ساتھ 1,822 ملین ٹن ہو جائے گی اور کیلنڈر سال 2024 میں 1.7% کی نمو کے ساتھ 1,854 ملین ٹن ہو جائے گی۔ توقع ہے کہ پیداوار کا شعبہ بحالی میں سرفہرست رہے گا جس پر بلند شرح سود کا اثر پڑ سکتا ہے۔ اگلے سال اکثر رجیمز میں ترقی کی رفتار میں تیزی آنے کی توقع ہے، تاہم چین میں سست روی رہنے کا امکان ہے۔

اعلیٰ ہارٹ رولڈ کوائل (HRC) کی قیمتوں میں تیزی سے کمی آئی جو زیر جائزہ سال کے دوران میں 1,100 یو ایس ڈالر کی بلندی سے گر کر 600 یو ایس ڈالر فی میٹرک ٹن ہو گئیں۔ HRC کی بین الاقوامی قیمتیں تقریباً 45% کم ہوئیں، اور پاکستانی روپے کی قدر میں 40% کمی ہوئی جس کا مطلب ہے کہ پاکستان میں اسٹیل کی بنیادی قیمت تقریباً وہی رہی۔

ورلڈ اسٹیل ایسوسی ایشن کی جانب سے اسٹیل کے استعمال کے تخمینے سے ظاہر ہوتا ہے کہ 2022 میں دنیا میں اسٹیل کا اوسط استعمال تقریباً 222 kg/capi رہا۔ پاکستان دنیا کے اوسط سے کافی نیچے رہا اور اس کا تخمینہ 59 kg/capita لگایا گیا ہے جس سے پتہ چلتا ہے کہ ملکی اسٹیل میٹریل کی کمی ہے۔ اسٹیل انڈسٹری کی ترقی کی بڑی گنجائش ہے بشرطیکہ دیگر معیروں کے عوامل کے اثر کو موثر طور پر منظم کیا جائے۔

ڈائریکٹرز کی رپورٹ

اعزیز سٹریٹجی اینڈ کنسلٹنٹس کے ڈائریکٹرز اپنی رپورٹ، مع کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس برائے سال مختتمہ 30 جون 2023 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

یورڈ کی تشکیل اور مشاہرے

یورڈ اور اس کی ذیلی کمیٹیوں کی تشکیل کی تفصیل سالانہ رپورٹ کے صفحات 133 اور 149 (کارپوریٹ گورننس) پر دی گئی ہے۔ کمپنی کے ڈائریکٹرز کے مشاہرے کیلئے پالیسیز اور طریقہ کار کی تفصیلات کمپنیز ایکٹ 2017 اور سلیٹ کنونینٹس (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت (غیر مجموعی مالیاتی اسٹیٹمنٹس کے نوٹ 37) پر درج ہیں۔

عالمی معاشی منظر نامہ

"عالمی معیشت کی موجودہ صورتحال کو مختصر طور پر ایک لفظ میں بیان کیا جائے تو وہ ہوگا 'پولی کرائس' یا بحرانوں کا طوفان۔ وہاں سیاست، معیشت اور ماحولیات کے چیلنج کے ایک ساتھ جمع ہونے سے غیر یقینی کیفیت ایک غیر معمولی بلند سطح تک پہنچ گئی۔ ابھی کووڈ-19 کی وبا کے طویل اثرات پوری طرح ختم نہیں ہوئے تھے کہ بے قابو افراط زر سے مقابلے کیلئے شرح سود میں تیزی سے کئے گئے اضافے نے معاشی سرگرمیوں پر بھاری بوجھ ڈال دیا۔ اس پر یوکریں کی جنگ نے دنیا بھر میں خوراک اور توانائی کی ترسیل اور قیمتوں کے مسائل نے غیر یقینی کیفیت کو مزید بڑھا دیا۔ موسمیاتی تبدیلی، معمول سے کئی گنا زیادہ سیلاب اور خشک سالی نے کئی اقوام کو انتہائی مشکل حالات سے دوچار کر دیا۔ بلند شرح سود کی وجہ سے ابھرتی ہوئی معیشتیں عام طور پر دباؤ کا شکار رہیں خاص طور پر وہ ممالک جو ریاستی خرچہ جات کی پریشانیوں سے پہلے ہی دوچار تھے۔

بہر حال کچھ اچھی خبریں بھی ہیں۔ دنیا میں سپلائی چین میں آنے والی رکاوٹیں دور ہونا شروع ہو گئی ہیں اور جنگ کی وجہ سے توانائی اور خوراک کی تیز بڑھنے والی مارکیٹس، بلکوں کے خود کوئی صورتحال کے مطابق ڈھالنے اور اپنانے کی بناء پر وہاں اپنے مقام پر آ رہی ہیں۔ کئی مرکزی بینکوں کی جانب سے رقمات کی سپلائی پر بڑے پیمانے پر اور ہم آہنگی کے ساتھ سختی کرنے کے نتائج آنا شروع ہو گئے ہیں اور افراط زر کی شرح میں کمی آنے لگی ہے۔

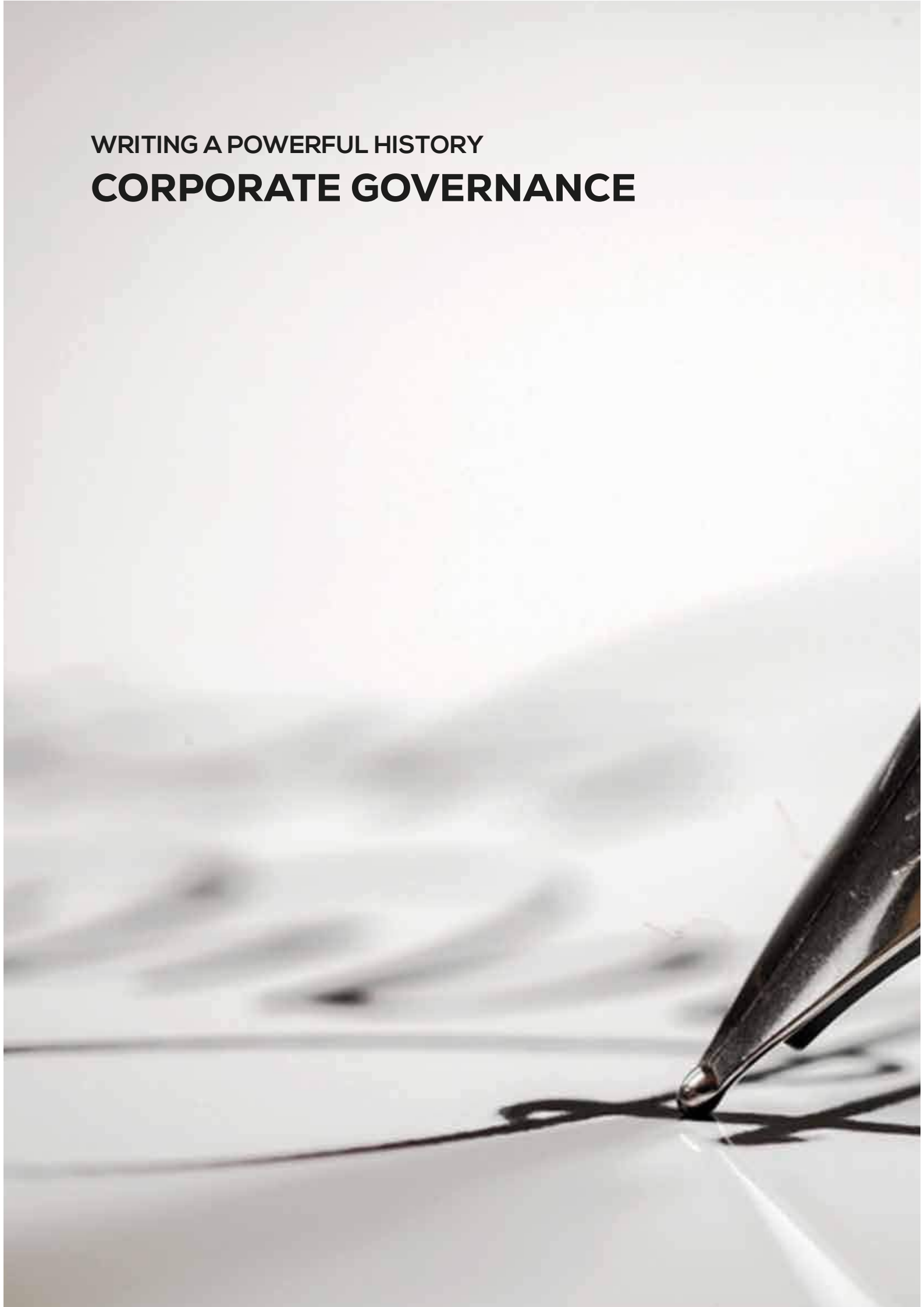
IMF نے 2023 اور 2024 میں 3% کی شرح سے عالمی نمو کی پیش گوئی کی ہے۔ اس سے اہم یہ ہے کہ IMF نے توقع ظاہر کی ہے کہ بڑی سطح پر عالمی افراط زر کی شرح جو 2022 میں 8.7% تھی 2023 میں 6.8% اور 2024 میں کم ہو کر 5.2% ہو جائے گی۔ IMF کے تجزیے کے مطابق آئندہ پانچ سال کے عرصے میں معاشی نمو کی رفتار سست رہے گی اور اس بناء پر عالمی پالیسی سازوں کو مشورہ دیا ہے کہ وہ افراط زر کو کنٹرول میں رکھنے پر توجہ مرکوز رکھیں، مالیاتی استحکام برقرار رکھیں، بجٹ کے خسارے کو کم کرنے کی کوشش کریں اور کمزور ترین طبقے کو سپورٹ دینے کیلئے ہدف کو قائم رکھیں۔

ملکی معیشت

VUCA (volatile, uncertain, complex, ambiguous) یعنی اتار چڑھاؤ، غیر یقینی کیفیت، پیچیدگی، ابہام پر مبنی عالمی ماحول کی بناء پر معیشت کی سست روی اور افراط زر کے دباؤ نے پاکستانی معیشت پر گہرا اثر ڈالا ہے۔ مالی سال 2022-23 میں بڑے بڑے چیلنج سامنے آئے جیسے کم ترین طلب، بڑھتا ہوا پالیسی ریٹ، ریکارڈ سیلاب اور جھان انجینئرنگ کی نظر نامہ۔ اس کے علاوہ یوکریں کی جنگ نے عالمی طلب و رسد کے توازن کو بری طرح خراب کیا اور قیمتوں میں کئی گنا اضافہ ہو گیا۔ ملکی معیشت کی نمو میں بھی زبردستی آئی اور بڑے پیمانے کی صنعتوں (LSM) کی پیداوار میں بھی سکتاؤ پیدا ہو گیا۔ مانیٹری پالیسی میں شدید سختی اور درآمدات کو کم کرنے کیلئے پابندیوں جیسے 100% کیس مارجن پر لیٹرف آف کریڈٹ کی راہنمائی کی گئی۔ پاکستانی روپے کی تیزی سے گرتی ہوئی قدر نے سمندر پار ملازمتوں کے مواقع کو زیادہ پرکشش بنا دیا جس سے ہنرمند افراد ترک وطن (برین ڈرین) کی طرف راغب ہوئے اور مقامی طور پر ہنگامی اور پیداوار کی لاگت میں اضافہ ہوا۔

WRITING A POWERFUL HISTORY

CORPORATE GOVERNANCE





BOARD OF DIRECTORS' PROFILE



Mr. Kamal A. Chinoy

Chairman (Non-Executive)
Chairman Since: September 30, 2022
Director Since: February 6, 1984

Mr. Kamal A. Chinoy is a graduate of Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Currently he is Chairman of International Industries Limited, International Steels Limited, IIL Americas Inc. and IIL Construction Solutions (Pvt) Ltd., and a Director of Pakistan Cables Ltd., Pakistan Business Council and IIL Australia Pty Ltd. He has served as Chairman of the Aga Khan Foundation (Pakistan) and Jubilee Life Insurance Co, and also as a Director of Pakistan Centre of Philanthropy, Atlas Insurance Limited, Pakistan Security Printing Corporation, NBP Fullerton Asset Management Limited, Atlas Battery Ltd, ICI Pakistan Limited, Askari Bank Limited, First International Investment Bank, and Atlas Power Limited.

He also served as CEO of Pakistan Cables Ltd for 27 years. He was an instrumental part of the team that negotiated the exit of BICC from the ownership of the Company in the early 1990's. Then in 2010 he lead the effort to attract General Cable, a Fortune 500 company, as an equity investor in PCL.

Mr. Kamal A. Chinoy is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP). He has also served on the Admissions Committee of Aga Khan University and the Alumni Admissions Committee for the University of Pennsylvania. He has also been a member of the Board of Governors of Army Burn Hall Institutions.

He has been a member of the Pakistan-UK Forum for Investment and Technology (under the Board of Investment, GoP) and the Experts Advisory Group for Engineering Goods for the Fifth Five Year Plan for the Government of Pakistan.



Mr. Adnan Afridi

Independent Director
Since: February 18, 2019

Mr. Adnan Afridi has over 28 years' international experience in change management, business transformation, innovation and profitability enhancement in blue chip companies, public-sector and high growth situations. His industry experience includes Capital Markets, Private Equity, Financial Services, Real-Estate, Health Care, Natural Resources, Logistics, Large-Scale Manufacturing, Technology and Food sectors, operating in CEO roles with board level representations.

Mr. Afridi currently serves as the Chairman and the Managing Director of National Investment Trust Limited, Pakistan's first and largest asset management company. He has previously served as the Managing Director of the Karachi Stock Exchange Ltd and as the CEO of the Overseas Chamber of Commerce and Industry (OICCI) and Tethyan Copper Company as well as having served on the boards of Gul Ahmed Textile Mills, Trading Corporation of Pakistan, Central Depository Company (CDC) and National Clearing Company (NCCPL as Chairman of the Board). Mr. Afridi was also nominated by the Government of Pakistan as private sector nominee to the SECP Policy Board for a 4-year term that concluded in November 2022.

Mr. Afridi's contribution to social causes is well known. He is a key member of the Kidney Center Board (former Chairman and current Vice Chairman) and was previously the President of the Old Grammarians Society focusing on fund raising for education scholarships and a former board member of YPO Pakistan and is currently a Board member of YPO-Gold Pakistan.



Mr. Asif Jooma

Independent Director
Since: March 16, 2021

Mr Asif Jooma joined the Board of Lucky Core Industries (formerly ICI Pakistan Ltd.) in December 2012 and was appointed Chief Executive in February 2013. With a career spanning over forty years, Mr Jooma has extensive experience in senior commercial and leadership roles. Following his early years with the Company and subsequently, Pakistan PTA Limited, he was appointed Managing Director of Abbott Laboratories Pakistan Limited in 2007. After serving there for nearly six years, he returned to Lucky Core Industries Limited as Chief Executive.

Mr Jooma holds directorships in Systems Limited, Pakistan Tobacco Company Limited, and NutriCo Morinaga (Private) Limited. He has previously served as a Director on NIB Bank Limited, Engro Fertilizers Limited, National Bank of Pakistan and Director and Member Executive Committee of the Board of Investment (BOI) – Government of Pakistan.

He has previously served as the President of the American Business Council, President of the Overseas Investors Chamber of Commerce and Industry (OICCI) and Chairman of the Pharma Bureau.

Additionally, Mr Jooma is on the Board of Governors of the Lahore University of Management Sciences (LUMS) and a Trustee of the Duke of Edinburgh's Awards Programme, whilst previously also serving on the Board of Indus Valley School of Art and Architecture (IVSAA). He graduated cum laude from Boston University with a Bachelor of Arts in Development Economics and attended Executive Development programmes at INSEAD and Harvard Business School thereafter.



Mr. Haider Rashid

Independent Director
Since: January 24, 2022

Mr. Haider Rashid gained an honours degree in Accounting and Finance from the University of Lancaster, England. His early career involved ten years in the chemical and agriculture industry in Pakistan, initially for the ICI group, and then the Hoechst AG group where he was the CEO for Hoechst AgrEvo Pakistan. During this time, he also served two terms as President of the Agricultural Chemical Trade Association of Pakistan (PAPA).

Since 1997, Mr. Rashid held a number of senior corporate positions in international companies, including Head of Controlling for Hoechst AG, Germany, Head of Integration for Aventis SA, France, Member of the Executive Committee of Aventis Crop Science, France, Chief Information Officer and Head of Finance & Controlling for ABB, Switzerland and Regional President for ABB. He was also the founder and CEO of K&R Consulting AG. His external responsibilities have included membership of the IBM Board of Advisors and membership of the Executive Committee of the European Roundtable for Digital Strategies founded by the Tuck School of Business at Dartmouth.



Mr. Jehangir Shah

Independent Director

Director Since: September 30, 2016

Mr. Jehangir Shah has over forty years' experience in commercial, private and personal banking and leasing. He has overseas work experience in UAE, Egypt and Brazil. Prior to joining Pak Oman Investment Company as Deputy Managing Director in 2008, Mr. Shah served as Country Manager - Pakistan of Oman International Bank SAOG and as Managing Director and CEO of Capital Assets Leasing Corporation Limited (Calcorp). His former employments include Executive Director at Pak Gulf Leasing Company Limited, Habib Credit and Exchange Bank and Bank of Credit and Commerce International (BCCI). Mr. Shah is also a Director of Pak Oman Asset Management Company Limited and an Independent Director of Fauji Fertilizer Company Limited and Shaheen Insurance Company Limited.



Mr. Mansur Khan

Independent Director

Director Since: September 30, 2019

Mr. Mansur Khan has over 30 years of diversified experience and a proven track record in development/commercial/investment banking. He has a Masters in Business Administration (with distinction) from Pace University, New York, USA, majoring in Financial Management.

Mr. Khan has served as President / CEO of Zarai Taraqati Bank Limited (ZTBL), SME Bank Limited, Managing Director of Pak Kuwait Investment Company, Punjab Small Industries Corporation (PSIC) and the Sudanese Microfinance Development Facility (SMDF). He has international experience of working in Asia, Africa, USA, Europe and the Middle East. Prior to joining Pak Kuwait as Managing Director, he was associated with Weidemann Associates Inc, a Crown Agents USA company. Mr. Khan was a fighter pilot in the Pakistan Air Force from 1970 to 1978.

He held directorships in The General Tyre And Rubber Company of Pakistan Limited, Sudanese Microfinance Development Facility, Zarai Taraqati Bank Limited, National Commodity Exchange Limited, Saudi Pak Agricultural and Investment Company Limited, National Database and Registration Authority, Kissan Support Services Limited, SME Bank Limited, SME Leasing Limited, TMT Venture Capital Fund, Small and Medium Enterprise Development Authority (SMEDA), Business Competitiveness/Support Funds and Punjab Small Industries Corporation. He is also a certified director from Pakistan Institute of Corporate Governance.



Mr. Mustapha A. Chinoy

Non-Executive Director
Since: February 23, 1998

Mr. Mustapha A. Chinoy is a B.Sc. in Economics from Wharton School of Finance, University of Pennsylvania, USA with majors in Industrial Management and Marketing. Upon return from United States, he took up the position of Marketing Manager at International Industries Ltd. He is currently the Chairman of Pakistan Cables Ltd., Travel Solutions (Pvt) Ltd., Global E-Commerce Services (Pvt.) Ltd., Global Reservation (Pvt.) Ltd. and Binary Vibes (Pvt) Ltd. He is the Chief Executive of Intermark (Pvt.) Ltd. He has previously served on the Boards of Union Bank Ltd and Security Papers Ltd.



Mrs. Selina Rashid Khan

Non-Executive Director
Since: September 30, 2022

Selina Rashid Khan is the founder and CEO of Pakistan's first strategic communications agency, Lotus Client Management and Public Relations, founded in 2007. She is recognized as Pakistan's premier communications leader with over 18 years of communications experience in leadership positions, representing some of Pakistan's most compelling brands, projects and people.

She is the first Pakistani recipient of the prestigious PR News top women in PR global award. Mrs Khan is currently Vice President of Pakistan's Council for Public Relations, Event Management, Digital and Activations [PREDA]. She has served as Chair of Brand Pakistan, an advisory panel to the Special Assistant of the Prime Minister of Pakistan on Tourism and Overseas Pakistanis.

She was also an integral member of the Foreign Minister of Pakistan's Public Diplomacy reform for Pakistan. Selina graduated with an Honors degree in Politics from the University of Warwick in the United Kingdom. She has worked in London at Avalon Public Relations in London; one of the UK's top PR firms.



Mr. Sohail R. Bhojani

Chief Executive Officer
Since: May 1, 2021

Sohail Bhojani has over 27 years of global and Pakistan-based experience, mostly in commercial and finance leadership roles with responsibility for delivering strategy, top-line growth and profit, nurturing organizational capability and implementing business performance management and corporate governance frameworks. He has previously served as IIL's Chief Financial Officer for 3 years, coming to the IIL family skilled at business management, financial planning & analysis, audit, financial control and IT project management. He has substantial experience spanning diverse sectors including industrial manufacturing, retail & private banking, FMCG marketing, life sciences, management consultancy and audit & assurance, acquired at blue chip corporates including Akzo Nobel, Barclays Bank, United Bank, ICI, BDO Global, and PKF Littlejohn UK.

Mr. Bhojani is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants in England & Wales (ICAEW) and the Institute of Chartered Accountants of Pakistan (ICAP). He is a member of CPA Australia and is also accredited by the Institute of Public Accountants Australia (IPA).

He is an alumnus of the London Metropolitan University, UK, where he studied Accounting & Finance, and Institut Européen d'Administration des Affaires (INSEAD), Fontainebleau, France, where he attended executive development programs. He is a certified director from the Pakistan Institute of Corporate Governance (PICG). He is also a member of the Institute of Managers & Leaders (IML) Australia & New Zealand.

In his last role, he has been instrumental in launching IIL Australia, the Group's greenfield venture headquartered in Melbourne, off the ground. As the Chief Executive of our subsidiary in Australia for 6 years, his stewardship has been pivotal in building the IIL brand as a leading supplier in the Australian market, the Company winning the prestigious Casey Award for Best Business and turning the Oceania region into IIL's top export destination. Currently, he is a director of IIL Australia Pty Ltd. and the Chief Executive of IIL Construction Solutions (Pvt) Ltd, another subsidiary of IIL in Pakistan.

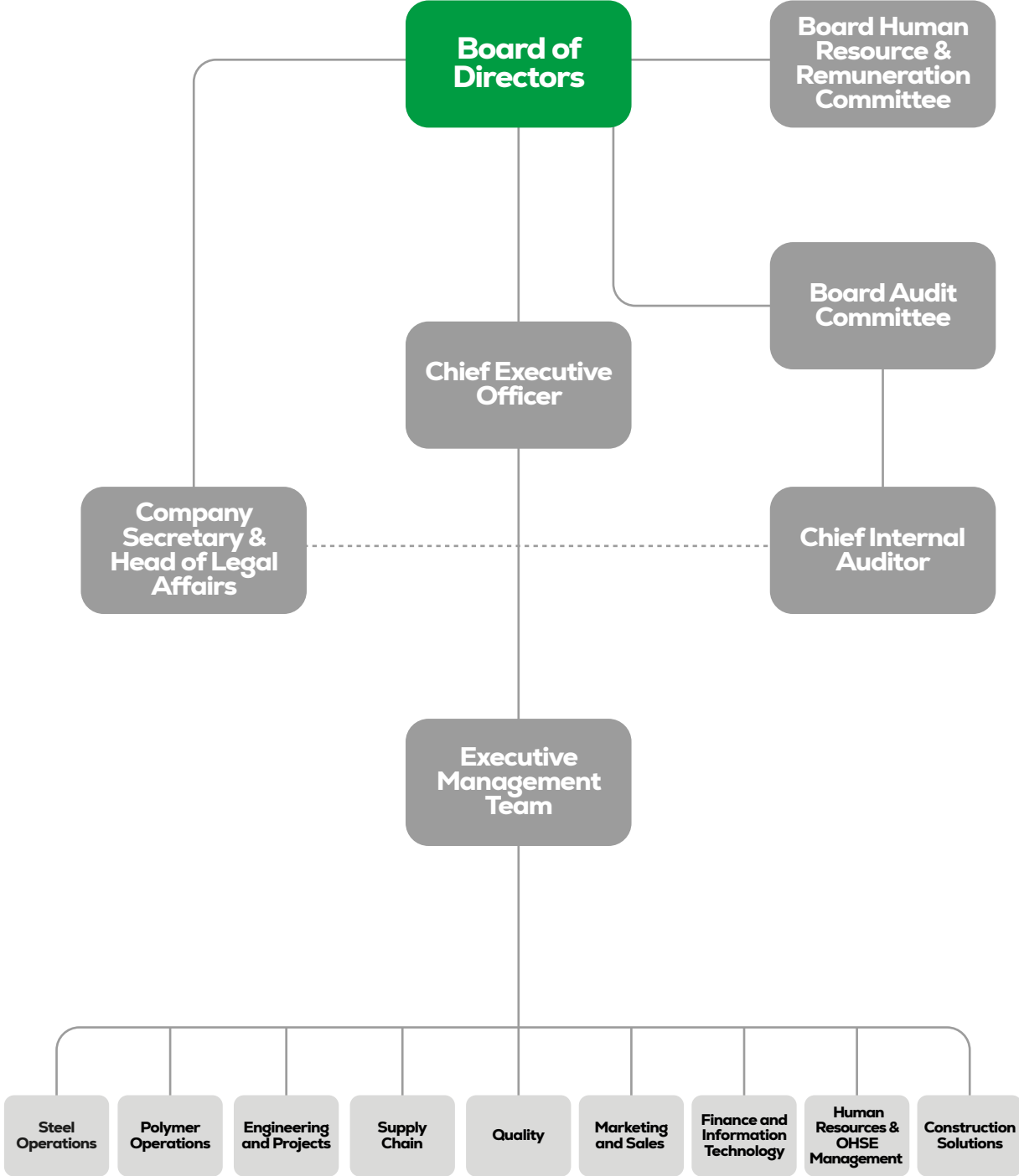
ASSOCIATED COMPANIES

30-06-2023

Name	Associated Companies, Business occupation and directorship (if any)	Interested As
Mr. Kamal A. Chinoy	IIL Americas Inc. IIL Australia Pty Ltd. IIL Constructions Solutions (Pvt) Ltd. International Industries Ltd. International Steels Ltd. Pakistan Business Council Pakistan Cables Ltd.	Chairman Director Chairman " " Director "
Mr. Adnan Afridi	Bank AL Habib Ltd. Biafo Industries Ltd Bulk Transport Company (Pvt) Ltd. Dynea Pakistan Ltd. International Industries Ltd. Lucky Core Industries Ltd. Mari Petroleum Ltd. Siemens Pakistan Engineering Comapny Ltd. National Investment Trust Ltd. Shaukat Khanum Memorial Trust (Member Board of Governors) The Kidney Centre Institute (Member Board of Governors)	Director " " " " " " " " " "
Mr. Asif Jooma	Duke of Edinburgh's Award Foundation (Trust) Pakistan International Industries Ltd. Lucky Core Industries Ltd. Lucky Core Foundation Lucky Core Management Staff Defined Contribution Superannuation Fund Lucky Core Management Staff Gratuity Fund Lucky Core Management Staff Pension Fund Lucky Core Management Staff Provident Fund Lucky Core Non-Management Staff Provident Fund Lucky Core PowerGen Ltd. Lucky TG (Private) Ltd. Lucky Core Ventures (Private) Ltd. Lahore University of Management Sciences (LUMS) NutriCo International (Private) Ltd. NutriCo Moringaga (Private) Ltd. NutriCo Pakistan (Private) Ltd. Gratuity Fund NutriCo Pakistan (Private) Ltd. Provident Fund Pakistan Tobacco Company Ltd. Systems Ltd.	Trustee Director " Trustee " " " " " " Director " " Member Board of Governors Director " Trustee " Director "

Name	Associated Companies, Business occupation and directorship (if any)	Interested As
Mr. Haider Rashid	International Industries Ltd.	Director
Mr. Jehangir Shah	International Industries Ltd. Fauji Fertilizer Company Ltd. Pak Oman Asset Management Company Ltd. Shaheen Insurance Company Ltd.	Director " " "
Mr. Mansur Khan	International Industries Ltd.	Director
Mr. Mustapha A. Chinoy	Binary Vibes (Pvt) Ltd. Bridge Vue Solutions DMCC Global e-Commerce Services (Pvt) Ltd. Global Reservation (Pvt) Ltd. Global Travel Services Ltd. BVI International Industries Ltd. International Steels Ltd. Pakistan Cables Ltd. Trave Tech Solutions Travel Solutions (Pvt) Ltd. Intermark (Pvt) Ltd.	Director " " " " " " " " Chairman " Chief Executive
Mrs. Selina Saadia R. Khan	International Industries Ltd. Lotus Client Management & Public Relations PREDA - Public Relations, Event Management, Digital and Activations Association of Pakistan	Director Chief Executive Vice President
Mr. Sohail R. Bhojani	International Industries Ltd. IIL Australia Pty Ltd. IIL Constructions Solutions (Pvt) Ltd. IIL Employees Provident Fund IIL Employees Gratuity Fund	Chief Executive Director " Trustee "

ORGANIZATION STRUCTURE



GOVERNANCE FRAMEWORK

The main philosophy of business followed by the sponsors of International Industries Limited for the last 75 years has been to create value for all stakeholders through fair and sound business practices, which translates into policies approved by the Board and implemented throughout the Company to enhance the economic value of all stakeholders of the organization.

Our governance strategy is to ensure that the Company follows the direction defined by its core values, current regulatory framework, and global best practices. Our approach towards corporate governance ensures ethical behavior, transparency, and accountability in all that we do, while striving to attain a fair return for our shareholders.

COMPLIANCE STATEMENT

The Board of Directors has, throughout the year 2022-23, complied with the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulation, 2019, Rule Book of the Pakistan Stock Exchange Limited, and the Corporate Financial Reporting Framework of Securities and Exchange Commission of Pakistan (SECP).

The directors confirm that the following has been complied with:

- a) The financial statements have been prepared which fairly represent the state of affairs of the Company, the result of its operations, cash flows, and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departures therefrom have been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts about the Company's ability to continue as a going concern.
- g) There is no material departure from the best practices of corporate governance as per regulations.

THE BOARD OF DIRECTORS

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skills in various disciplines with the leadership and vision to provide oversight to the Company.

The Board is chaired by Mr. Kamal A. Chinoy, a non-executive Chairman; out of eight (8) directors, five (5) are independent directors. The current board composition reflects a good mix of experience and diversity in backgrounds, skills, and qualifications. All directors have several years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present, all directors have attended a directors training program except Mr. Mustapha A. Chinoy who has a minimum of 14 years of education and 15 years of experience on the boards of listed companies and therefore is exempt from a directors training program. Further, an orientation program is an integral part of the induction/election of new directors to give them an introduction to the Company, fellow directors, management, overall business, and current financial information.

In compliance with Clause 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, a female director was elected at the last election of the Board of Directors at the 74th Annual General Meeting in September 2022.

A digital interface is being used to update the Board of Directors by providing the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, relevant portions of the PSX Rule Book, the Company's Memorandum & Articles of Association, and various policies and procedures.

To further its role of providing oversight and strategic guidelines to the Company, the Board has formulated a Board Charter to define its role of strategic leadership and provide guidance to the management. The Board has constituted two sub-committees, namely Board Audit Committee (BAC) and Human Resource & Remuneration Committee (HRRC). The composition, role, and responsibilities of the committees are clearly defined in their respective terms of reference.

ANNUAL CALENDAR AND AGENDA FOR MEETINGS

A calendar is issued annually to reflect the dates planned for the Board of Directors, Board Audit Committee (BAC), Human Resource & Remuneration Committee (HRRC) meetings, and Annual General Meeting. During the year 2022-23, the Board had seven (7) meetings, out of which four (4) were held to review the annual/quarterly results and the other meetings were held to re-constitute the BAC and HRRC, pre-budget discussion/announcement of interim dividend, and to approve the annual budget for FY 2023-24. The average attendance of the directors in board meetings during the year was 97%.

CHANGES IN THE BOARD

At the 74th Annual General Meeting of the Company on September 30, 2022, eight (8) Directors were elected for a term of three (3) years. Thereafter, no casual vacancy arose till the end of FY 2023.

BOARD MEETINGS OUTSIDE PAKISTAN

During the year 2022-23, no board meetings were held outside Pakistan. However, the Directors who are overseas at the time of the meetings were facilitated to attend meetings through video conferencing.

ROLE AND RESPONSIBILITIES OF THE CHAIRMAN AND CHIEF EXECUTIVE

The Board of Directors provides the overall direction for company operations, provides oversight for various policies, and monitors the management in light of operational and financial plans. The roles of the Board and the Chief Executive Officer have been clearly defined where the Board is responsible for strategic guidance and providing directions for sustainable business.

The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019, and presides over all board meetings. The Chief Executive performs his duties under the powers vested by the law and the Board. He recommends, implements business plans and is responsible for overall control & operation of the Company.

BUSINESS PHILOSOPHY AND BEST CORPORATE PRACTICES

We believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders, and the best practices of corporate governance to ensure business success and better results for all stakeholders.

The Board Charter defines the scope of the Board's activities in 'setting the tone at the top', formulating strategies, and providing oversight to the management for sustainable growth of the business. Board members actively participate in meetings to provide guidance concerning the Company's business activities and operational plans, review corporate operations, and formulate and review all significant policies. The Board firmly adheres to ethical practices and fully recognizes its responsibilities for the protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations. The Chairman ensures that the discussions held during board meetings and the consequent decisions arising are duly recorded and circulated to all the directors within fourteen (14) days. The CFO and the Company Secretary attend all the meetings of the Board as required by the Code of Corporate Governance.

All periodic financial statements and other working papers which normally include a detailed analysis of business matters for the consideration of the Board/subcommittees are circulated to the directors at least a week before the meetings, except for emergent meeting where the notice period was waived, through a cloud-based digital application so as to give them sufficient time to review and make decisions on an informed basis.

TIMELY COMMUNICATION OF FINANCIAL RESULTS

Unaudited quarterly financial statements and the half-yearly financial statements (with limited review by the auditors) were duly circulated within thirty (30) days and sixty (60) days respectively along with the Directors' Report. Audited annual financial statements, including consolidated financial statements, were authorized by the Board of Directors and communicated to the Pakistan Stock Exchange within fifty-four (54) days from the close of the financial year. Additionally, all important disclosures, including the financial statements, were made on the Company's website to keep the stakeholders duly informed.

BOARD EVALUATION

The Board of Directors has formulated a policy to evaluate its own performance, the salient features of which are as follows:

1. The Board Evaluation methodology to be adopted as a self-evaluation of the Board as a whole and for individual directors through agreed questionnaires.
2. The evaluation exercise is to be carried out every year.
3. The evaluation system is designed to address areas of critical importance and includes, but is not limited to the following:
 - a) Appraising the basic organization of the Board of Directors,
 - b) The effectiveness and efficiency of the operation of the Board and its committees,
 - c) Assess the Board's overall scope of responsibilities,
 - d) Evaluate the flow of information, and
 - e) Validate the information provided by the management.

4. The Board reviews business results and suggests measures to improve the areas identified for improvement.

The Board has continued its self-evaluation for many years as a part of good governance and has identified areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, risk management, board composition, and providing oversight to the management.

DIRECTORS' REMUNERATION POLICY

A formal policy to review and approve the remuneration of non-executive directors is in place. The Company believes in remunerating its non-executive directors and Chairman adequately to justify their continued guidance and contributions to the Company's objectives, good corporate governance and sustained long-term value creation for shareholders while maintaining their independent status.

RISK AND OPPORTUNITY MANAGEMENT

The company understands that risk is inherent in its business operations and recognize that taking risks is necessary to achieve goals and objectives. It is committed to managing risks in a prudent and responsible manner to maintain a balance between risks and rewards. It is willing to take on reasonable and calculated risks that are consistent with the overall risk management framework and that allows it to achieve its strategic objectives.

INTERNAL CONTROL FRAMEWORK

The Company upholds a well-defined control framework consisting of distinct structures, delegation of authority and assigned responsibilities. It maintains comprehensive policies, procedures, and budgeting mechanisms for conducting regular reviews. All control measures and policies are duly recorded. The Board sets the corporate strategy and defines the business goals of the Company.

The Board Audit Committee (BAC) has been entrusted with the primary responsibility of internal controls. It receives audit reports from the internal and external auditors and, after detailed deliberations and suggesting improvements, periodic reports are submitted to the Board of Directors. The Company places a high value on transparency, both internally and externally, in its corporate management. It focuses consistently on the implementation of efficient management practices for the purpose of achieving clear and quantifiable commitments.

The management has placed an explicit internal control framework with clear structures, authority limits and accountabilities, well-defined policies and detailed procedures enabling the BAC and the Board to have a clear understanding of risk areas and to place effective controls to mitigate risks.

EXTERNAL OVERSIGHT OF FUNCTIONS

Along with in-house monitoring mechanisms, the Company engages with external entities that are not directly affiliated with the Company, for oversight of various corporate functions. These external oversight entities include government regulatory agencies, consultants for information security, quality auditors

like ISO and API, statutory auditors and external consultants providing assurance over manufacturing processes. During the year, these external entities have helped the Company in safeguarding assets, ensuring transparency, compliance with applicable laws and manufacturing while ensuring best practice and standards in the industry.

DISCLOSURE OF CONFLICT OF INTEREST

The Company has taken measures to prevent conflicts of interest between directors, employees and the organization. In this regard, a clear policy on conflict of interest is contained in the Code of Conduct duly approved by the Board of Directors which is placed on page No. 99. As per the Listed Companies (Code of Corporate Governance), Regulation, 2019 the Company annually circulates the Code of Conduct and takes appropriate steps to disseminate it across all ranks. Further, the directors and key employees are reminded of insider trading rules and to avoid dealing of shares during the closed period.

Every director is required to bring to the attention of the Board, complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested directors neither participate in discussions nor vote on such matters.

Complete details of all transactions with related parties are submitted to the Board Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has implemented comprehensive policies on Occupational Health, Safety and Environment and Corporate Social Responsibility and Sustainable Development to meet its corporate and societal responsibilities. This reflects the Company's recognition that there is a strong positive correlation between financial performance and corporate, social and environmental responsibility. Social and environmental responsibilities include the following:

1. Community investment and welfare schemes
2. Environmental protection measures
3. Occupational health and safety processes
4. Business ethics and anti-corruption measures
5. Energy conservation actions
6. Industrial relations management
7. National cause donations
8. Consumer protection measures

Our role as responsible corporate citizen is as important to us as the satisfaction of our customers and earning a fair return for our shareholders. We are committed to working for the betterment and prosperity of all our stakeholders. The management has endeavored to provide a safe and healthy work atmosphere by adopting practices and creating working conditions that are safe and healthy for our employees, vendors, contractors, suppliers and customers.

We are committed to providing better education and health facilities to the less fortunate, especially within our stakeholder community.

In line with our CSR philosophy, we maintain and support the TCF school – IIL Campus in Landhi adjacent to our factory, along with offering need-based scholarships to NED University students for a better tomorrow for our younger generation. We also support NGOs like SINA Foundation – IIL Clinic, Indus Hospital and Amir Sultan Chinoy Foundation to help the vulnerable.

SUSTAINABILITY MEASURES

All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior and energy conservation are an integral part of our business model. We also believe that employees are most critical in the progress, growth and sustainability of our organization. For more details, please refer to our Sustainability Report which is available on our website (www.iil.com.pk)

ENGAGING STAKEHOLDERS AND TRANSPARENCY

The nurturing of stakeholder relationships is of paramount importance to the Company. Building stakeholder engagement, compliance with regulatory requirements and terms and conditions are some of the main business principles by which we abide.

To bring an accurate understanding of the management's policies and business activities to all its stakeholders, the Company strives to make full disclosure of all material information to all stakeholders by various announcements on its website, to the Stock Exchange, social media and other sources available to help investors to make informed decisions. The Company encourages full participation of the members in the Annual General Meetings by sending corporate results and sufficient information following prescribed timelines so as to enable shareholders to participate on an informed basis. By increasing management transparency, it aims to strengthen its relationships and trust with shareholders and investors.

Our stakeholders include but are not limited to, customers, employees, government, shareholders, suppliers, local communities, and banks.

CORPORATE BRIEFING SESSION

In compliance with the listing regulations of the Pakistan Stock Exchange, the Company arranges corporate briefing session(s) to answer queries of the various stakeholders including investors and financial analysts.

The last Corporate Briefing Session was held on Wednesday, September 30, 2022, to brief investors/analysts/shareholders about the financial performance and future outlook of the Company.

POLICY FOR INVESTOR GRIEVANCES

The Company has an Investor Relations Policy that sets out the principles in providing shareholders and prospective investors with the necessary information to make well-informed investment decisions and to

ensure a level playing field. Investor grievances and complaints are very important and are properly reviewed to minimize recurrence. The following principles are adhered to with regard to investor grievances:

1. Investors are treated fairly at all times.
2. Complaints raised are addressed in a courteous and timely manner.
3. Various modes of communication including email, telephone, meetings, and raising matters at the Annual General Meeting are available to investors to raise grievances.
4. Queries and complaints are treated fairly and efficiently.
5. Employees work in good faith and without prejudice towards the interest of the shareholders.
6. Detailed information including financial highlights, investor information, and other requisite information specified under relevant regulations has been placed on the corporate website of the Company, which is updated regularly.

SAFETY OF COMPANY RECORDS

IIL has a clear Document and Record Control Policy for establishing, approving, reviewing, changing, maintaining, replacing, retrieving, retaining, distributing and administering control of all documents and data that relate to the Company and has taken the following measures to ensure the safety/security of the records and promote a paperless environment:

- All important documents such as minutes and proceedings of the Board and its sub-committees, Annual General Meetings, statutory certificates, title documents of the Company's properties, all other important communications & records are digitally scanned and archived on secure company servers.
- All important original documents are placed in a neutral, secure, and documented vault.

HUMAN RESOURCE MANAGEMENT POLICIES AND SUCCESSION PLANNING

A comprehensive set of policies has been implemented to cover all HR matters. The main focus of the policies is to train, motivate and retain valuable human assets for the future growth of the Company. In order to maintain continuity of the business operations, particularly at senior management and key managerial positions, a well-defined succession policy is in practice.

INFORMATION TECHNOLOGY POLICY

A clearly-defined Information Technology Policy is in place to help achieve efficient and effective use of IT resources so as to establish priorities, increase productivity and deliver the right services to users. The Head of IT is responsible for ensuring the communication of IT security policies to all users. Further, the Internal Audit department is responsible for monitoring compliance with IT policies.

WHISTLEBLOWING POLICY

We are committed to creating an atmosphere in which our people can freely communicate their concerns to their supervisors and functional heads. Our Whistle-blowing Policy has been in place for a number of years to encourage the reporting of any corrupt or unethical behavior, if employees feel that they are not able to use normal management routes.

POLICY FOR SECURITY CLEARANCE OF FOREIGN DIRECTORS

ILL has no foreign directors on its Board.

MATTERS RAISED AT THE LAST AGM

While general clarifications were sought by shareholders on the Company's published financial statements during the 74th Annual General Meeting held on September 30, 2022, no significant issues were raised.

EXTRAORDINARY GENERAL MEETING

On May 30, 2023, the Board of Directors decided to increase the authorized capital from Rs.2.0 billion to Rs.10 billion and announced an EOGM for June 20, 2023 at 11.00 a.m. for seeking shareholders' approval for the increase in the authorized capital of the Company, dissemination of annual reports through QR codes or weblinks and alteration in the Articles of Association to bring it in line with the Companies (Further Issue of Shares) Regulations, 2020.

A post-review of the budget announced by the Federal Government on June 9, 2023 for the upcoming fiscal year 2023-24 revealed that a 10% tax on the issuance of bonus shares has been imposed. An analysis of the changes in the fiscal structure suggested an alternate view about the increase in the authorized capital as proposed by the Board of Directors in their meeting on May 30, 2023. Therefore, the directors were of the view that the proposed increase in the authorized capital should be revoked and the EOGM scheduled on June 20, 2023 should be cancelled. Further, the other agenda items were deferred for the next general meeting.

DIVIDENDS

During the year, the Company paid an interim cash dividend of 55% (Rs. 5.50 per share) to all eligible shareholders and the Board of Directors has recommended a final dividend of 20% (Rs.2.00 per share), making a total of 75% (Rs. 7.5 per share) in respect of the financial year ended June 30, 2023, which is subject to shareholders approval.

PATTERN OF SHAREHOLDING

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as on June 30, 2023 is placed on Page 357.

BOARD COMMITTEES

The Board is assisted by the following two committees to support its decision-making in their respective domains:

A. BOARD AUDIT COMMITTEE (BAC)

1.	Mr. Jehangir Shah	Chairman BAC	Independent Director
2.	Mr. Adnan Afridi	Member	Independent Director
3.	Mr. Haider Rashid	Member	Independent Director
4.	Mr. Mansur Khan	Member	Independent Director
5.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
6.	Mr. Muhammad Atif Khan	Secretary	Chief Internal Auditor

The BAC comprises four (4) independent directors and one (1) non-executive. The Chairman of the Committee is an independent director and has over forty years of experience in commercial, private & personal banking and leasing. The Chief Financial Officer (CFO) and the Chief Internal Auditor attend the BAC meetings while the Chief Executive Officer is invited to attend the meetings. The BAC also separately meets the internal and external auditors at least once in a year without the presence of the management.

Meetings of the BAC are held at least once every quarter. The recommendations of the BAC and the financial results of the Company are then submitted for approval by the Board. During the year 2022-23, the BAC held four (4) meetings. The minutes of the BAC meetings are provided to all members, directors, and the CFO.

The Chief Internal Auditor meets the BAC, without the presence of the management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are referred to the respective departments and corrective actions are then implemented.

The BAC has concluded its self-evaluation process. The evaluation involved collecting individual responses from each member, based on a thorough assessment checklist. The outcomes of the evaluation were deemed satisfactory.

Terms of Reference of the BAC

The BAC is mainly responsible for reviewing the financial statements, ensuring proper internal controls to align operations in accordance with the mission, vision and business plans and monitoring compliance with all applicable laws and regulations and accounting and financial reporting standards.

The salient features of terms of reference of the BAC are as follows:

1. Recommending the appointment of internal and external auditors to the Board.
2. Consideration of questions regarding resignation or removal of external auditors, audit fees and provision by the external auditors of any services to the Company in addition to the audit of financial statements.
3. Determination of appropriate measures to safeguard the Company's assets.

4. Review of quarterly, half-yearly and annual financial statements of the Company prior to their approval by the Board, focusing on major judgment areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with listing regulations and other statutory and regulatory requirements.
5. Facilitating the external audit and discussion with external auditors on major observations arising from the audit and any matter that the auditors may wish to highlight (without the presence of the management, where necessary).
6. Review of the Management Letter issued by external auditors and the management's response thereto.
7. Ensuring coordination between the internal and external auditors of the Company.
8. Review of the scope and extent of the internal audit and ensure that an adequately resourced internal audit function is placed within the organization.
9. Consideration of major findings of internal investigations and the management's response thereto.
10. Ascertaining that the internal control system including financial and operational controls accounting system and reporting structure are adequate and effective.
11. Review of the Company's statement on the internal control systems prior to endorsement by the Board.
12. Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the Chief Executive, and consider remittance of any matter to the external auditors or to any other external body.
13. Determination of compliance with relevant statutory requirements review of periodic financial statements and preliminary announcements of results prior to the external communication and publication.
14. Monitoring compliance together with the external auditors and internal audit with the best practices of corporate governance and identification of significant violations such as fraud, corruption and abuse of power thereof.
15. Consideration of any other issue or matter as may be assigned by the Board.
16. Chairman BAC to organize and oversee the annual evaluation of Committee's effectiveness.

B. BOARD HUMAN RESOURCE & REMUNERATION COMMITTEE (HRRC)

1.	Mr. Mansur Khan	Chairman HRRC	Independent Director
2.	Mr. Haider Rashid	Member	Independent Director
3.	Mr. Kamal A. Chinoy	Member	Non-Executive Director
4.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5.	Mr. Sohail R. Bhojani	Ex-Officio-Member	Chief Executive Officer (CEO)
6.	Mr. Khalid Junejo	Secretary	Chief Human Resource Officer

The HRRC comprises of two (2) independent directors including the Chairman, two (2) non-executive directors, and the CEO. Meetings are conducted at such frequency as the Chairman may determine. The Chief Human Resource Officer is the secretary of the HRRC. The minutes of the meetings of the HRRC meetings are provided to all members and directors. The Committee held 3 meetings during the year 2022-23.

Terms of Reference of the HRRC

The Committee defines the HR policy framework and makes recommendations to the Board in the evaluation and approval of employee remuneration, benefit plans and succession planning.

The salient features of the Terms of Reference of HRRC are as follows:

1. Major HR Policy/framework including compensation.
2. Overall organizational structure.
3. Organization model and periodic assessment of the same.
4. Succession planning for key executives, including the CEO.
5. Recruitment, remuneration and evaluation of the CEO and his/her direct reports, including the CFO, Chief Internal Auditor and Company Secretary.
6. The CEO, being a member of the HRRC shall not be a part of committee meetings, when her/his compensation/performance is being discussed/ evaluated.
7. Charter of demands and negotiated settlements with the CBA.
8. Compensation of the Non-Executive Directors.
9. Board Remuneration Policy & Procedure.
10. Board Evaluation Policy and Procedure for the Board as a whole and for the individual directors.

MEETINGS OF THE BOARD OF DIRECTORS

Meetings of the Board of Directors, BAC, and HRRC were held according to an annual schedule circulated before each financial year with the objective to maximize directors' participation.

Directors	Board	Audit Committee	Human Resource & Remuneration Committee
Meetings held during FY 2022-23	7	4	3
Mr. Kamal A. Chinoy **	6/7	1/1	3/3
Mr. Adnan Afridi	7/7	4/4	
Mr. Asif Jooma	7/7		
Mr. Haider Rashid **	7/7	3/3	2/2
Mr. Jehangir Shah	7/7	4/4	
Mr. Mansur Khan	7/7	4/4	3/3
Mr. Mustapha A. Chinoy **	7/7	3/3	3/3
Mrs. Selina R. Khan *	6/6		
Mr. Sohail R. Bhojani	7/7		3/3

* Elected on September 30, 2022

** BAC and HRRC reconstituted after the election of directors on September 30, 2022

EXECUTIVE MANAGEMENT TEAM

The aim of the Executive Management Team (EMT) is to support the CEO to determine and implement business policies within the strategy approved by the Board of Directors. EMT reviews all operational and financial aspects of the business, advises improvements to operational policies/procedures and monitors the implementation of the same. The EMT meets frequently to review operational performance and to consider various policies and procedures.

Composition of the EMT

1.	Mr. Sohail R. Bhojani	Chairman EMT	Chief Executive Officer
2.	Mr. Muhammad Akhtar	Member	Chief Financial Officer
3.	Mr. Mirza Samar Abbas	Member	Chief Marketing & Sales Officer
4.	Mr. Khalid Junejo	Member	Chief Human Resource Officer
5.	Mr. Muhammad Imran Siddiqui	Member	Chief Manufacturing Officer
6.	Mr. Ghazanfar Ali Shah	Member	Head of Supply Chain & Construction Solutions
7.	Mr. Nasir Raja	Member	Head of Polymers Manufacturing
8.	Mr. Zain K. Chinoy	Member	Head of Global Sales, Corporate Communications & CSR
9.	Mr. Salman Najeeb	Secretary	Financial Controller

Role of the EMT

The forum is responsible for the following:

1. Reviewing organizational structure and resource planning.
2. Establishing specific committees and task groups and setting their TORs.
3. Reviewing the annual budget of the Company.
4. Reviewing business principles, strategic priorities, risk analysis, business plan as well as key performance indicators, financial performance, annual targets, and variances.
5. Reviewing the Company's Management Information System.

OTHER KEY COMMITTEES

These include:

1. IT Steering Committee
2. Raw Material Purchase Committee
3. Production Trends Analysis Committee
4. OHSE Committee

REPORT OF THE BOARD AUDIT COMMITTEE

IN ADHERENCE TO THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2023 and reports that:

Corporate Governance

1. The Company has adhered in full, without any material departure, to both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019 the Company's Code of Conduct and Values, and the international best practices of governance throughout the year.
2. The Company has issued a Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 which has also been reviewed and certified by the auditors of the Company.
3. Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the financial year ended June 30, 2023, which fairly presents the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company for the year under review.
4. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Chairman and Directors' Reports. They acknowledge their responsibility for a true and fair presentation of the financial statements, the accuracy of reporting, compliance with regulations and applicable accounting standards, and establishment and maintenance of internal controls and systems of the Company.
5. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate, and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) notified by the SECP.
7. All direct and indirect trading in and holdings of the Company's shares by directors and executives or their spouses were duly notified in writing to the Company Secretary along with the price, the number of shares, form of shares, and the nature of the transaction. All such transactions were disclosed at the PSX and reported to the Board of Directors.

Risk Management and Internal Control

1. The Company has in place a Risk Management Framework through which risks are identified, analyzed, evaluated and mitigated through appropriate actions in the form of policies and procedures. The company periodically monitors the emerging risks, suggests actions and obtain reports on the implementation status of risk mitigating actions.
2. Identified risks and actions to mitigate such risks are also periodically reported to and monitored by the Audit Committee.
3. No material risk was noted during the period that has not been appropriately mitigated by the management.

Internal Audit Function

1. The Company has a well-resourced in-house Internal Audit function which is led by a suitably qualified Chief Internal Auditor in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. To ensure its independence, Chief Internal Auditor reports functionally to the Chairman of the Board Audit Committee and administratively to the CEO.
2. The Internal Audit function continually evaluates the Company's system of internal control to ensure its effectiveness as per Audit Plan. This is done by following a risk-based audit approach whereby Internal Audit focuses and provides reasonable assurance on risks that matter most to the business.
3. The Board Audit Committee has ensured the achievement of operational, compliance, and financial reporting objectives, safeguarding of the assets of the Company and shareholders' wealth through effective financial, operational, and compliance controls and risk management at all levels within the Company.
4. Coordination between the external and internal auditors was facilitated to ensure efficiency and Contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.
5. During the year, undeterred access to the BAC was provided to the Chief Internal Auditor. Further, BAC met the Chief Internal Auditor in the absence of CFO, CEO and External Auditors to comply with the regulatory requirements. However, no material issue warranting mitigating actions was highlighted by the CIA during such interaction.
6. The BAC has reviewed the performance of the Internal Audit Function based on the coverage of Annual Audit Plan and management feedback against the value added by the Internal Audit function.

Whistle Blowing Policy

The company has implemented a comprehensive Whistle blowing Policy to strengthen governance. It provides a platform for all stakeholders to raise alerts in a transparent and efficient manner to maintain accountability and integrity in all areas of Company operations.

Any employee or volunteer wishing to report a matter of concern shall approach the Chairman Board Audit Committee directly to raise concerns.

External Auditors

1. The statutory auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2023, and shall retire on the conclusion of the 75th Annual General Meeting.
2. The final Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations 2019 and shall therefore accordingly be discussed at the next Board Audit Committee meeting.

3. The audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
4. Being eligible for reappointment under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations, 2019, M/S A.F. Ferguson & Co., Chartered Accountants have given their consent and the Board Audit Committee recommended their reappointment for the financial year ending June 30, 2024, on the terms and remuneration negotiated by the Chief Executive Officer.

ANNUAL REPORT 2023

The Company has issued a very comprehensive Annual Report, which gives fair, balanced and understandable information in excess of the regulatory requirements to offer an in depth understanding of the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company.

The Audit Committee believes that the Annual Report 2023 includes both financial and non-financial performance, risks and opportunities and outcomes attributable to Company's activities and key stakeholders having significant influence on its value creation ability.



Jehangir Shah

Chairman-Board Audit Committee

Dated: August 22, 2023
Karachi

MECHANISM FOR PROVIDING INFORMATION

FORMAL REPORTING LINE

The current organizational structure of the Company consists of various departments, each of which is led by a head.

EMPLOYEES

Employees are encouraged to express their views and forward their suggestions and we follow an open-door policy. Employees are encouraged to raise grievances and concerns to the Company. In case the matter is of a significant nature, it is addressed in the meetings of the Executive Management Team, the Board of Directors or the relevant board committees.

The Company also has a Whistle-blowing Policy to enable employees to raise serious concerns at the relevant forum without fear of repercussions.

Town hall meetings are conducted regularly during which the CEO shares information about the Company's results, plans and strategic directions with employees. Enthusiastic participation and candid Q&A is encouraged at this forum.

SHAREHOLDERS

Every year, the Annual General Meeting of shareholders is held in accordance with requirements of the Companies' Act, 2017 which is attended by the Board, CEO, Company Secretary, CFO and the senior management of the Company.

The interactive session with the shareholders allows them to ask questions on financial, economic, social and other issues and also give suggestions and recommendations. Corporate Investor briefings are also organised at which the CEO interacts with the investor and analyst community and provides insight into the Company's strategy, operations and prospects.

The Company has also provided contact details of all relevant personnel for queries on its website.

MANAGING CONFLICT OF INTEREST

As per the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Company annually circulates the Code of Conduct amongst all employees and directors. Further, the directors and key employees are reminded of insider trading rules and to avoid dealing in shares during closed periods.

Directors are required to bring to the attention of the Board complete details regarding any transaction which has a conflict of interest for prior approval of the Board. The interested director(s) neither participate in discussions nor vote on such matters.

Complete details of all transactions with related parties are provided to the Board for approval. These transactions are also fully disclosed in the annual financial statements of the Company.



**STATEMENT OF
COMPLIANCE**

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

International Industries Limited

June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of elected directors are eight (8) as per the following:

a	Female	One (1)
b	Male	Seven (7)

2. The composition of the Board is as follows:

Category	Names
Independent directors	Mr. Adnan Afridi Mr. Asif Jooma Mr. Haider Rashid Mr. Jehangir Shah Mr. Mansur Khan
Non-executive directors	Mr. Kamal A. Chinoy Mr. Mustapha A. Chinoy
Female director (Non-executive director)	Mrs. Selina R. Khan
Chief Executive Officer	Mr. Sohail R. Bhojani

Mr. Sohail R. Bhojani, is a deemed director as defined in Section 188(3) of the Companies Act, 2017.

- The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this company;
- The Company has prepared a Code of Conduct and ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed vision/mission statements, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 and these Regulations;
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;
- The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
- The directors were apprised of their duties and responsibilities from time to time. In addition to the directors either have already attended directors' training as required in previous years, Mr. Haider Rashid and Mrs. Selina R. Khan, directors of the Company have attended the Directors' Training program during this year.

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed two sub-committees comprising of the following members:

A) BOARD AUDIT COMMITTEE

1. Mr. Jehangir Shah	Chairman BAC	Independent Director
2. Mr. Adnan Afridi	Member	Independent Director
3. Mr. Haider Rashid	Member	Independent Director
4. Mr. Mansur Khan	Member	Independent Director
5. Mr. Mustapha A. Chinoy	Member	Non-Executive Director

B) HUMAN RESOURCE & REMUNERATION COMMITTEE

1. Mr. Mansur Khan	Chairman HRRC	Independent Director
2. Mr. Haider Rashid	Member	Independent Director
3. Mr. Kamal A. Chinoy	Member	Non-Executive Director
4. Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5. Mr. Sohail R. Bhojani	Ex-Officio-Member	Chief Executive Officer

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees was as follows:
 - i. Board Audit Committee: Quarterly
 - ii. Human Resource & Remuneration Committee: Quarterly or as and when needed
15. The Board has set up an effective Internal Audit function and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations, or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No.
1	All directors of a company shall attend its general meeting(s), (ordinary and extra-ordinary) unless precluded from doing so due to any reasonable cause.	Seven (7) Directors attended the 74th Annual General Meeting of the Company. Mr. Azam Faruque and Mrs. Saadia S. Rashid could not attend due to personal reasons.	10(6)
2	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not considered to be necessary.	29
3	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management related matters of the Company.	30

On behalf of the Board
International Industries Ltd.



Sohail R. Bhojani
Chief Executive Officer



Kamal A. Chinoy
Chairman

August 23, 2023



FIG. 1A



FIG. 6



10,000

8,000

6,000

4,000

2,000

0

140

120

100

80

60

40

20

0

1

2

3

4

11

12

Q4



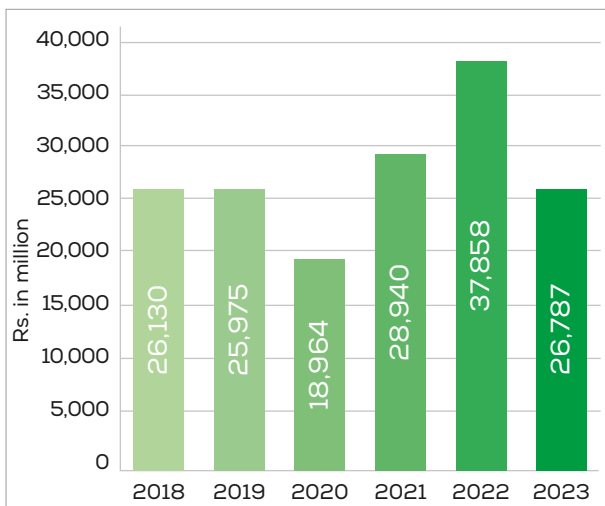
UNCONSOLIDATED FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	2023	2022	Change %
	(Rupees in million)		
Revenue from contracts with customer	26,787	37,858	(29.2)
Gross Profit	3,422	4,669	(26.7)
Property, Plant & Equipment	9,934	9,984	(0.5)
Shareholders' equity	15,249	14,594	4.5
Book Value per share (Rupees)	115.63	110.66	4.5

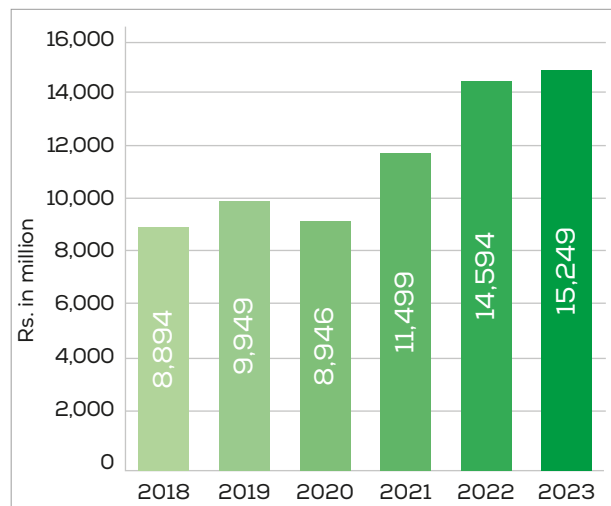
BUSINESS GROWTH

Revenue from Contracts with Customer

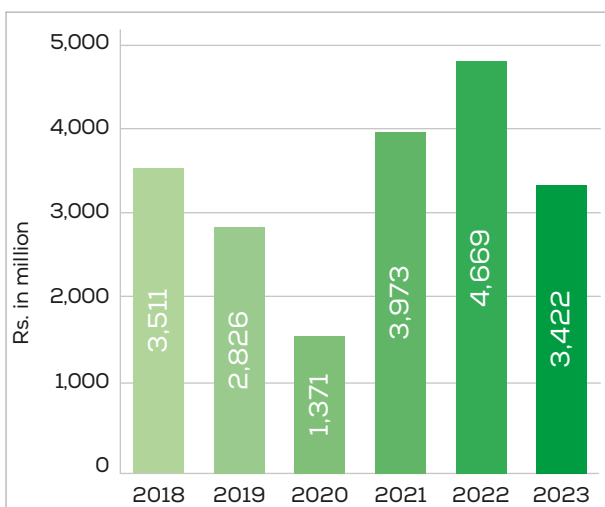


SHARE HOLDER VALUE ACCRETION

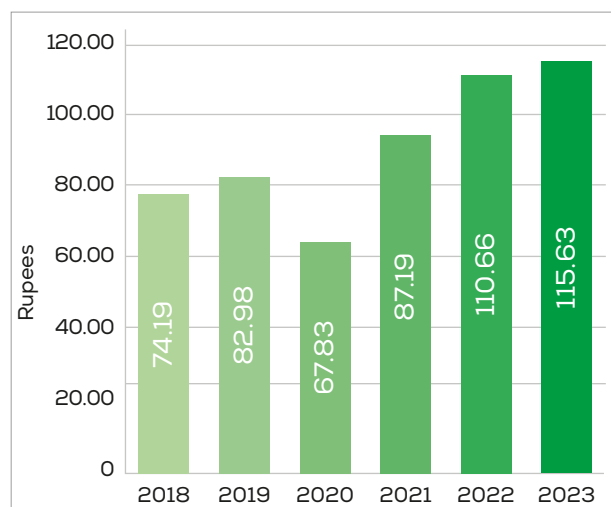
Shareholders' Equity



Gross Profit



Book Value per share



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

	2023	2022	2021	2020	2019	2018
	----- (Rupees in million) -----					
Property, plant and equipment	9,934	9,984	7,480	7,081	7,360	5,770
Investments	3,373	3,373	3,373	3,295	3,277	3,277
Other non-current assets	4	4	281	5	7	72
Current assets	20,645	22,935	17,766	12,758	14,683	13,346
Total assets	33,956	36,296	28,900	23,140	25,327	22,465
Shareholders' equity	15,249	14,594	11,499	8,946	9,949	8,894
Non-current liabilities	4,287	1,867	2,418	1,960	2,156	2,338
Current portion of long-term financing	609	1,079	889	411	291	181
Short-term borrowings	7,345	12,637	10,181	9,394	9,425	8,310
Other Current liabilities	6,466	6,118	3,913	2,429	3,506	2,743
Total equity & liabilities	33,956	36,296	28,900	23,140	25,327	22,465

Vertical Analysis

	Percentage					
Property, plant and equipment	29.3	27.5	25.9	30.6	29.1	25.7
Investments	9.9	9.3	11.7	14.2	12.9	14.6
Other non-current assets	0.01	0.01	1.0	0.02	0.03	0.3
Current assets	60.8	63.2	61.4	55.1	58.0	59.4
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	44.9	40.2	39.8	38.7	39.3	39.6
Non-current liabilities	12.6	5.1	8.4	8.5	8.5	10.4
Current portion of long-term financing	1.8	3.0	3.1	1.8	1.1	0.8
Short-term borrowings	21.6	34.8	35.2	40.6	37.2	37.0
Other Current liabilities	19.0	16.9	13.5	10.5	13.8	12.2
Total equity & liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

	Percentage					
Property, plant and equipment	(0.5)	33.5	5.6	(3.8)	27.6	13.4
Investments	0.0	0.0	2.3	0.5	0.0	19.5
Other non-current assets	1.2	(98.4)	5,278.4	(23.9)	(90.4)	6.9
Current assets	(10.0)	29.9	39.3	(13.1)	10.0	25.7
Total assets	(6.4)	26.1	24.9	(8.6)	12.7	21.3
Shareholders' equity	4.5	26.9	28.5	(10.1)	11.9	13.2
Non-current liabilities	129.7	(22.8)	23.4	(9.1)	(7.8)	56.5
Current portion of long-term financing	(43.6)	21.4	116.3	41.2	60.8	64.9
Short-term borrowings	(41.9)	24.1	8.4	(0.3)	13.4	40.9
Other Current liabilities	5.7	60.8	61.1	(30.7)	27.8	(13.1)
Total equity & liabilities	(6.4)	26.1	24.9	(8.6)	12.7	21.3

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Profit or Loss

	2023	2022	2021	2020	2019	2018
	----- (Rupees in million) -----					
Net Sales	26,787	37,858	28,940	18,964	25,975	26,130
Cost of Sales	(23,365)	(33,189)	(24,967)	(17,593)	(23,149)	(22,619)
Gross Profit	3,422	4,669	3,973	1,371	2,826	3,511
Administrative, Selling and Distribution expenses	(1,808)	(2,966)	(1,825)	(1,112)	(1,443)	(1,631)
Other operating expenses	(88)	(124)	(189)	(31)	(98)	(172)
Other operating income	3,089	3,261	1,054	580	1,733	883
Profit before financing cost	4,615	4,839	3,015	809	3,017	2,591
Finance cost	(1,732)	(1,182)	(756)	(1,238)	(924)	(442)
Profit / (Loss) before Taxation	2,883	3,657	2,259	(430)	2,093	2,149
Taxation	(610)	(1,501)	56	(264)	(518)	(567)
Profit / (Loss) after Taxation	2,273	2,156	2,315	(694)	1,575	1,582

Vertical Analysis

	Percentage					
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Sales	(87.2)	(87.7)	(86.3)	(92.8)	(89.1)	(86.6)
Gross Profit	12.8	12.3	13.7	7.2	10.9	13.4
Administrative, Selling and Distribution expenses	(6.8)	(7.8)	(6.3)	(5.9)	(5.6)	(6.2)
Other operating expenses	(0.3)	(0.3)	(0.7)	(0.2)	(0.4)	(0.7)
Other operating income	11.5	8.6	3.6	3.1	6.7	3.4
Profit before financing cost	17.2	12.8	10.4	4.3	11.6	9.9
Finance cost	(6.5)	(3.1)	(2.6)	(6.5)	(3.6)	(1.7)
Profit / (Loss) before Taxation	10.8	9.7	7.8	(2.3)	8.1	8.2
Taxation	(2.3)	(4.0)	0.2	(1.4)	(2.0)	(2.2)
Profit / (Loss) after Taxation	8.5	5.7	8.0	(3.7)	6.1	6.1

Horizontal Analysis

	Percentage					
Net Sales	(29.2)	30.8	52.6	(27.0)	(0.6)	48.8
Cost of Sales	(29.6)	32.9	41.9	(24.0)	2.3	57.1
Gross Profit	(26.7)	17.5	189.8	(51.5)	(19.5)	10.8
Administrative, Selling and Distribution expenses	(39.0)	62.6	64.0	(22.9)	(11.5)	15.8
Other operating expenses	(29.6)	(34.0)	514.1	(68.8)	(43.0)	(4.0)
Other operating income	(5.3)	209.3	81.7	(66.5)	96.2	(14.8)
Profit before financing cost	(4.6)	60.5	272.8	(73.2)	16.5	(1.0)
Finance cost	46.5	56.4	(39.0)	34.0	109.3	97.1
Profit / (Loss) before Taxation	(21.2)	61.9	625.5	(120.5)	(2.6)	(10.2)
Taxation	(59.4)	(2,793.6)	(121.1)	(49.0)	(8.6)	3.0
Profit / (Loss) after Taxation	5.4	6.9	433.4	(144.1)	(0.4)	(14.1)

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Cash Flows

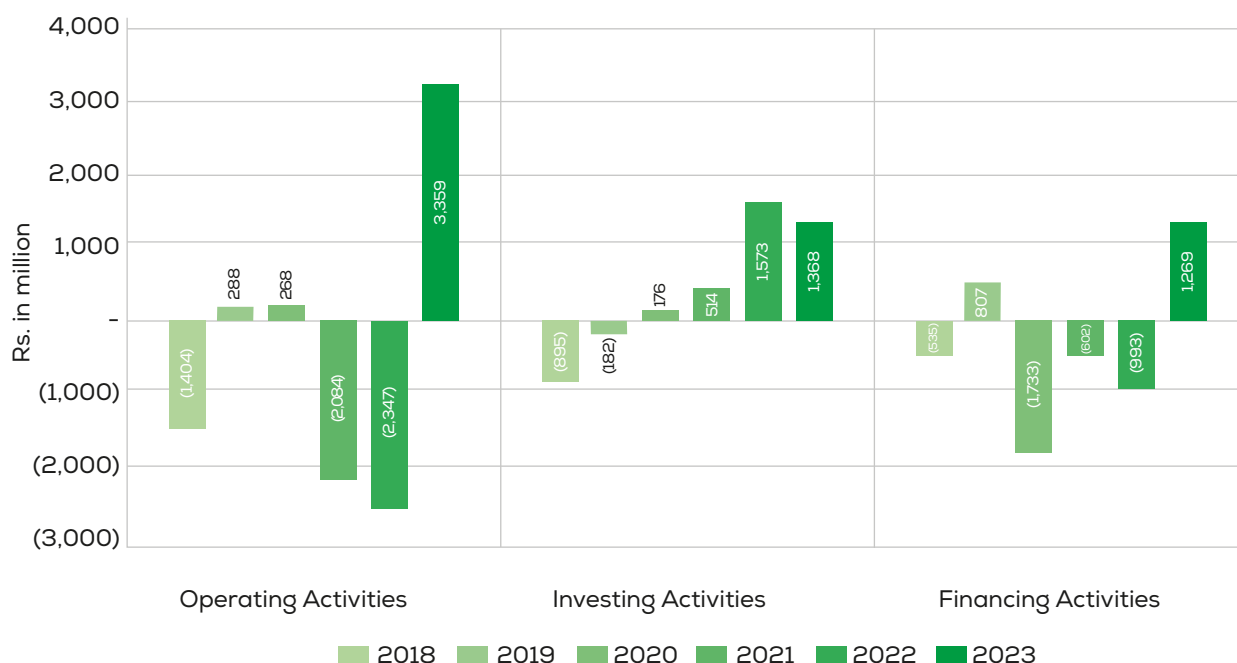
	2023	2022	2021	2020	2019	2018
	(Rupees in million)					
Net cash generated from/(used in) operating activities	3,359	(2,347)	(2,084)	268	288	(1,404)
Net cash inflows/(outflows) from investing activities	1,368	1,573	514	176	(182)	(895)
Net cash inflows/(outflows) from financing activities	1,269	(993)	(602)	(1,733)	807	(535)
Net increase/(decrease) in cash and cash equivalents	5,995	(1,767)	(2,173)	(1,290)	913	(2,834)

Vertical Analysis

	Percentage					
Net cash generated from/(used in) operating activities	56.0	(132.9)	(95.9)	20.8	31.6	(49.5)
Net cash inflows/(outflows) from investing activities	22.8	89.0	23.6	13.6	(20.0)	(31.6)
Net cash inflows/(outflows) from financing activities	21.2	(56.2)	(27.7)	(134.4)	88.4	(18.9)
Net increase/(decrease) in cash and cash equivalents	100.0	(100.0)	(100.0)	(100.0)	100.0	(100.0)

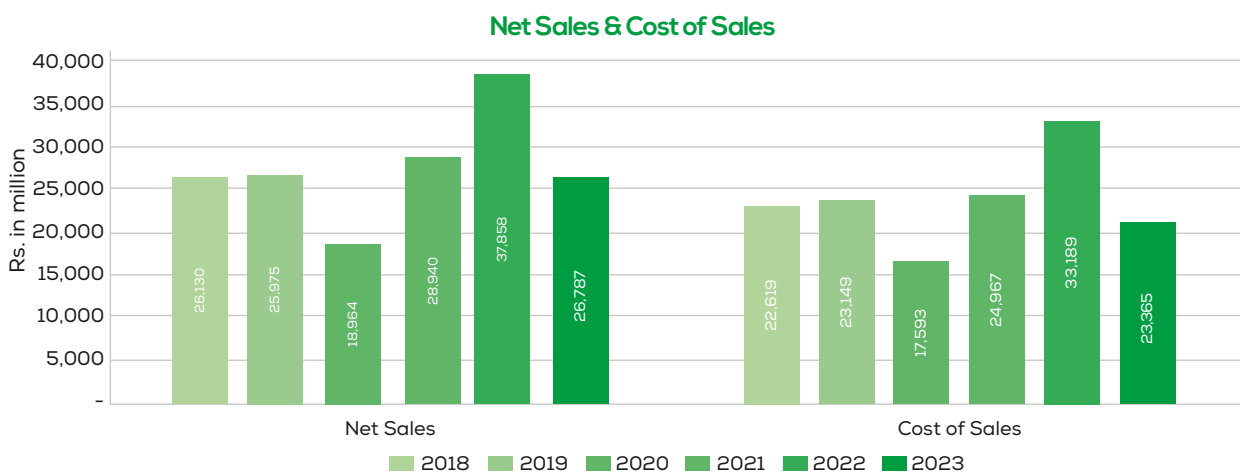
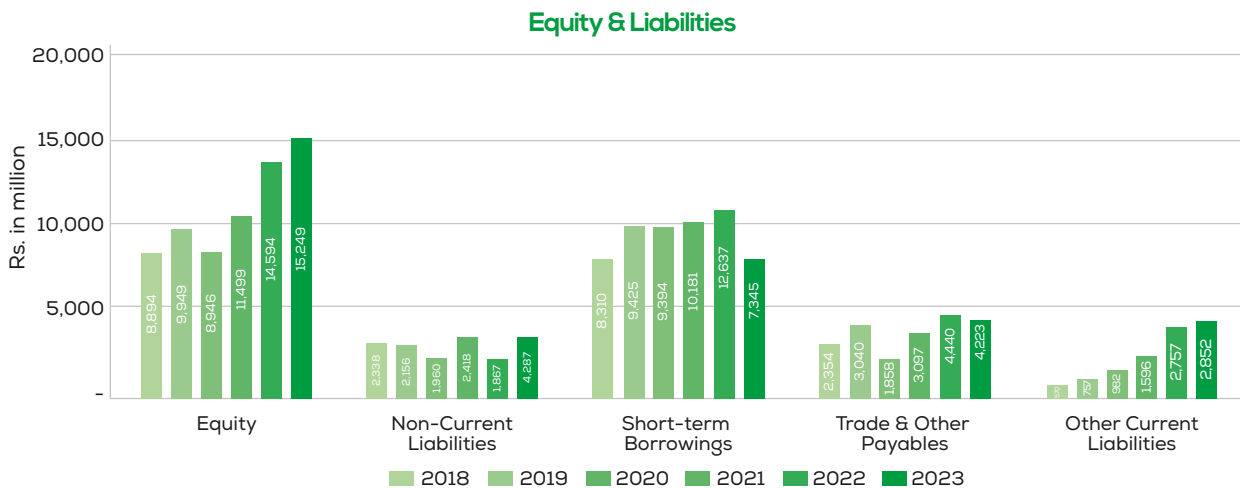
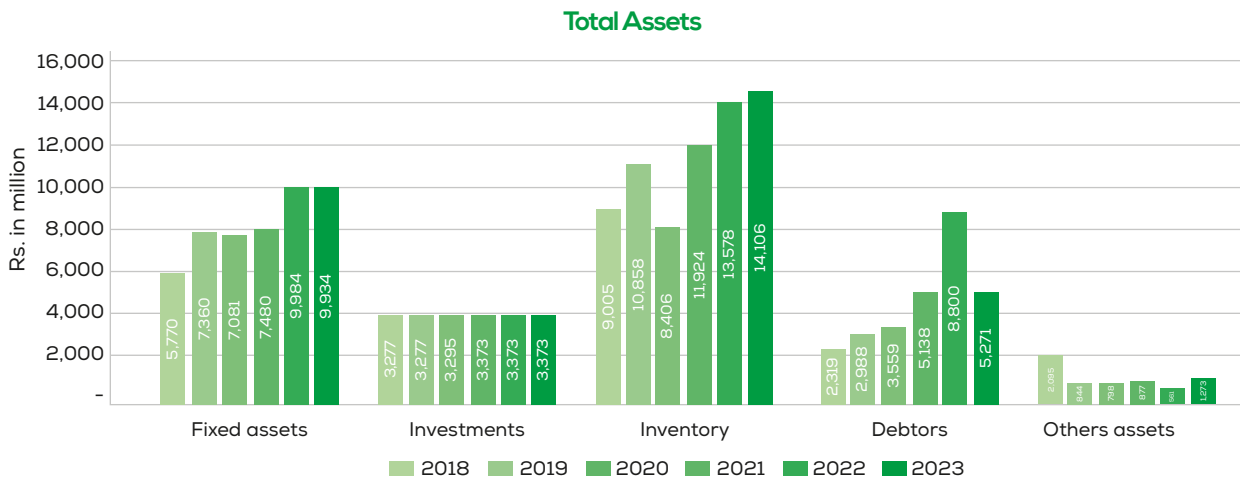
Horizontal Analysis

	Percentage					
Net cash generated from/(used in) operating activities	(243.1)	12.6	(878.0)	(7.0)	(120.5)	(33.2)
Net cash inflows/(outflows) from investing activities	(13.0)	206.1	192.8	(196.3)	(79.6)	(350.3)
Net cash inflows/(outflows) from financing activities	(227.8)	64.8	(65.2)	(314.8)	(250.8)	(126.6)
Net increase/(decrease) in cash and cash equivalents	(439.3)	(18.7)	68.5	(241.3)	(132.2)	(1,158.3)



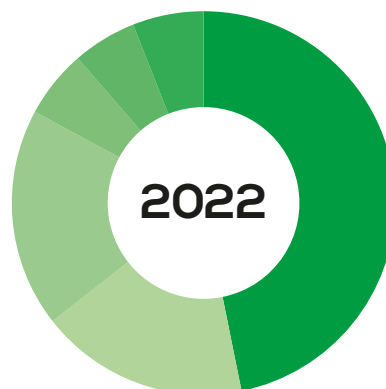
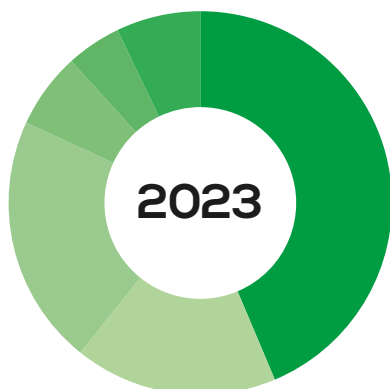
GRAPHICAL PRESENTATION OF

Statement of Financial Position and Statement of Profit or Loss



KEY FINANCIAL INDICATORS (GRAPHS)

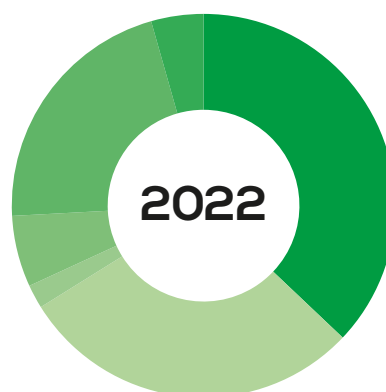
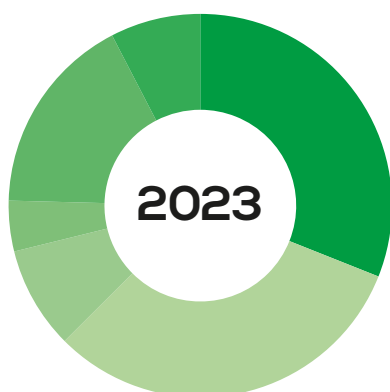
CONVERSION COST



- Salaries, wages and benefits
- Electricity, gas and water
- Depreciation and amortisation
- Operational supplies and consumables
- Repairs and maintenance
- Others

2023	2022
Rs in million	
1,122	1,181
440	444
543	465
164	144
119	136
183	151
2,571	2,521

PRODUCT-WISE VOLUMES



- Galvanized steel pipes
- Cold Rolled tubes
- API line pipes
- Black pipes
- Others (Steel)
- Polymer pipes & fittings

2023	2022
% of tonnage	
31%	37%
31%	29%
9%	2%
4%	6%
17%	21%
8%	4%
100%	100%

KEY FINANCIAL INDICATORS

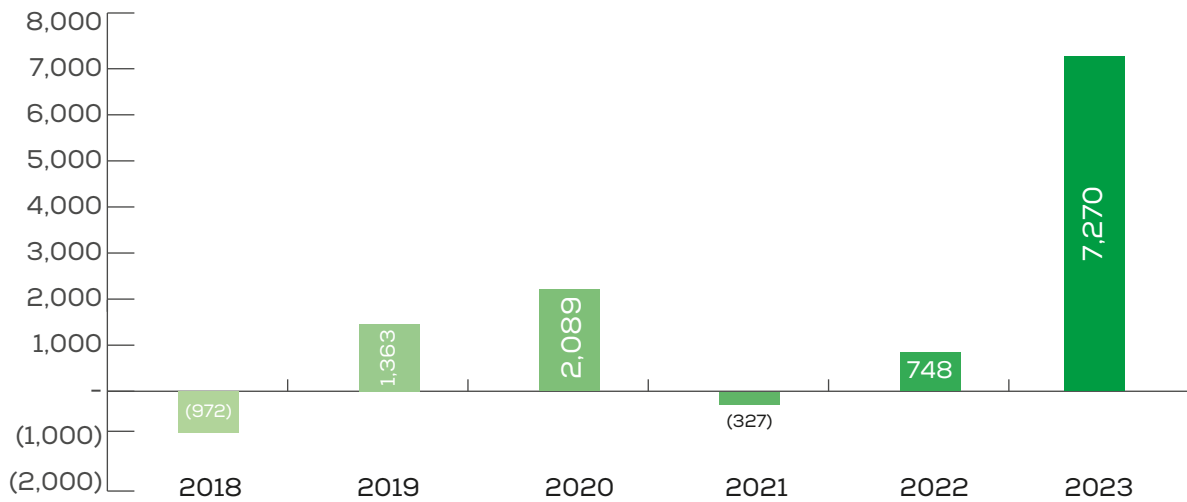
		2023	2022	2021	2020	2019	2018
Profitability Ratios							
Gross profit ratio	%	12.8	12.3	13.7	7.2	10.9	13.4
Net profit to Sales	%	8.5	5.7	8.0	(3.7)	6.1	6.1
EBITDA Margin to Sales	%	19.5	14.1	12.2	7.1	13.4	11.4
Cost to Income Ratio	Times	2.8	3.2	1.9	12.2	2.6	1.9
Operating Leverage	%	0.1	1.7	3.1	2.3	(28.8)	(0.01)
Return on Equity with Surplus on revaluation of fixed assets	%	14.9	14.8	20.1	(7.8)	15.8	17.8
Return on Equity without Surplus on revaluation of fixed assets	%	22.0	22.7	27.4	(10.6)	21.0	22.8
Return on Capital Employed	%	11.8	13.5	17.1	(6.6)	13.5	14.6
Return on Total Assets	%	6.7	5.9	8.0	(3.0)	6.2	7.0
Shareholders' funds ratio	%	44.9	40.2	39.9	38.7	39.3	39.6
Liquidity Ratios							
Current ratio	Times	1.43	1.16	1.19	1.04	1.11	1.19
Quick / Acid test ratio	Times	0.44	0.46	0.37	0.34	0.27	0.37
Cash to Current Liabilities	Times	(0.31)	(0.53)	(0.58)	(0.53)	(0.39)	(0.54)
Cash flow from Operations to Sales	Times	0.13	(0.06)	(0.07)	0.01	0.01	(0.05)
Activity / Turnover Ratios							
Inventory turnover ratio	Times	1.8	2.6	2.5	1.8	2.3	2.6
Inventory turnover in days	days	203	140	149	200	157	139
Debtor turnover ratio	Times	6.3	6.4	8.0	7.0	11.6	14.3
Debtor turnover in days	days	58	57	46	52	31	26
Creditor turnover ratio	Times	17	19	42	23	34	37
Creditor turnover in days	days	21	20	9	16	11	10
Total assets turnover ratio	Times	0.8	1.0	1.0	0.8	1.0	1.2
Fixed assets turnover ratio	Times	2.7	3.8	3.9	2.7	3.5	4.5
Operating cycle in days	days	240	177	186	236	177	154
Capital employed turnover ratio	Times	1.6	2.6	2.4	1.7	2.3	2.6
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	17.2	16.3	17.6	(5.3)	11.9	13.2
Price earning ratio	Times	4.2	6.3	12.0	(17.4)	6.5	17.6
Dividend Yield ratio	%	10.2	7.7	4.7	0.0	8.4	3.7
Dividend Payout ratio	%	43.5	48.9	57.0	0.0	54.4	64.4
Dividend per share - Cash	Rs.	7.50	8.00	10.00	-	5.50	8.50
Bonus shares	Rs.	-	-	-	-	1.00	-
Dividend Cover	(x)	2.30	2.04	1.76	-	1.84	1.55
Market value per share at the end of the year	Rs.	73.24	103.73	211.02	91.73	77.07	231.98
Market value per share high during the year	Rs.	119.75	219.60	242.50	120.99	247.97	377.00
Market value per share low during the year	Rs.	62.40	90.50	92.10	63.50	71.25	203.00
Break-up value per share with revaluation of fixed assets	Rs.	115.63	110.66	87.19	67.83	82.98	74.19
Break-up value per share without revaluation of fixed assets	Rs.	78.41	71.91	63.98	49.84	62.54	57.85
Price to book ratio	Times	0.28	0.38	0.97	0.52	0.36	1.24
Break-up value per share including Investment in Related Party with revaluation of fixed assets	Rs.	170.94	202.62	242.88	143.82	144.03	264.30
Break-up value per share including Investment in Related Party without revaluation of fixed assets	Rs.	133.73	163.87	219.68	125.84	123.59	247.97
ISL (Market Value of Investment at year end)	Rs.	9,932	14,547	22,891	12,657	9,731	24,922
PCL (Market Value of Investment at year end)	Rs.	631	850	911	651	856	1,139
IIL Australia (Unquoted - Value of Initial Investment)	Rs.	9	9	9	9	9	9
IIL Americas (Unquoted - Value of Initial Investment)	Rs.	18	18	18			
IIL CSL (Unquoted - Value of Initial Investment)	Rs.	77	77	77			
Total Investment in Related Parties at Market Value	Rs.	10,668	15,500	23,906	13,318	10,596	26,070

	2023	2022	2021	2020	2019	2018
Capital Structure Ratios						
Financial leverage ratio	(x) 1.2	1.5	1.5	1.6	1.5	1.5
Weighted average cost of debt	(x) 14.5	7.6	5.6	10.9	8.1	4.0
Net assets per share	Rs 115.63	110.66	87.19	67.83	82.98	74.19
Total Debt : Equity ratio	(x) 55 : 45	60 : 40	60 : 40	61 : 39	61 : 39	60 : 40
Interest cover	(x) 0.9	1.4	2.8	0.2	1.5	4.3
Employee Productivity and others						
Production per employee	Tons 92	162	192	124	187	235
Revenue per employee	Rs M 28.6	39.8	30.3	18.4	23.8	24.2
Spares inventory as % of assets cost	% 0.7	0.8	0.8	0.9	0.9	0.7
Maintenance cost as % of operating expenses	% 2.7	2.5	3.3	3.4	4.0	3.9
Value Addition						
Employees as remuneration	Rs. M 1,564	1,587	1,516	1,232	1,353	1,324
Government as taxes	Rs. M 5,525	6,524	6,576	4,910	5,139	5,459
Shareholders as dividends	Rs. M 989	1,055	1,319	0	659	1,019
Retained within the business	Rs. M 1,284	1,101	996	(694)	915	563
Financial charges to providers of finance	Rs. M 1,732	1,182	756	1,238	924	442

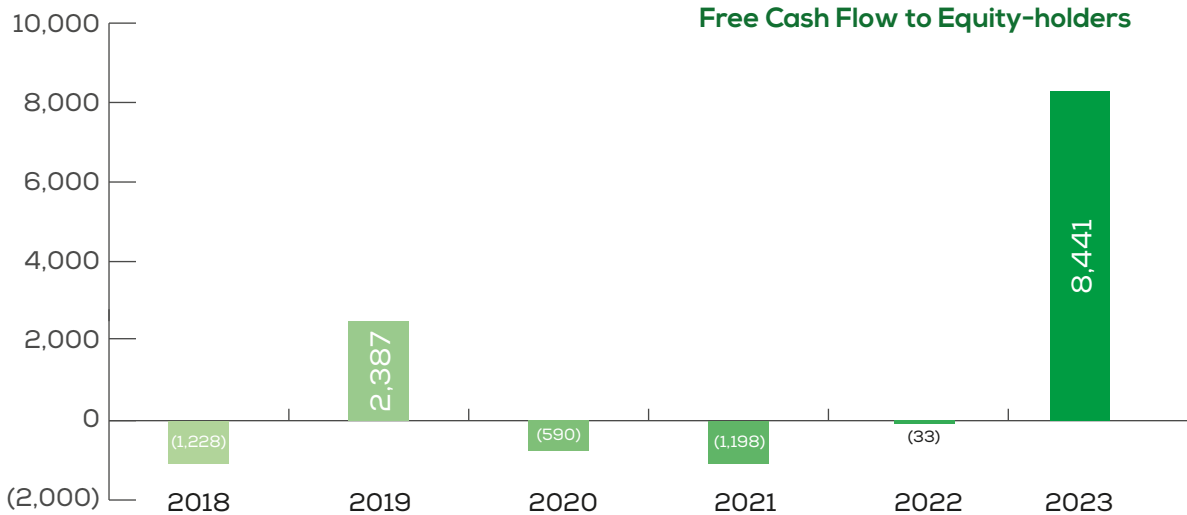
FREE CASH FLOW

	2023	2022	2021	2020	2019	2018
-----Rs. million-----						
Earnings before Interest and Taxes	4,615	4,839	3,015	809	3,017	2,591
Depreciation & amortization	597	506	524	536	468	387
Changes in Working capital	2,609	(3,831)	(3,623)	1,011	(666)	(2,881)
Capital expenditure incurred	(551)	(766)	(243)	(267)	(1,456)	(1,070)
	2,655	(4,091)	(3,342)	1,280	(1,654)	(3,563)
Free cash flow to firm	7,270	748	(327)	2,089	1,363	(972)
Net borrowing raised / (paid)	2,779	124	(135)	(1,374)	1,883	170
Interest paid	(1,608)	(905)	(736)	(1,305)	(859)	(426)
	1,171	(781)	(871)	(2,679)	1,024	(256)
Free cash flow to Equity holders	8,441	(33)	(1,198)	(590)	2,387	(1,228)

Free Cash Flow to Firm

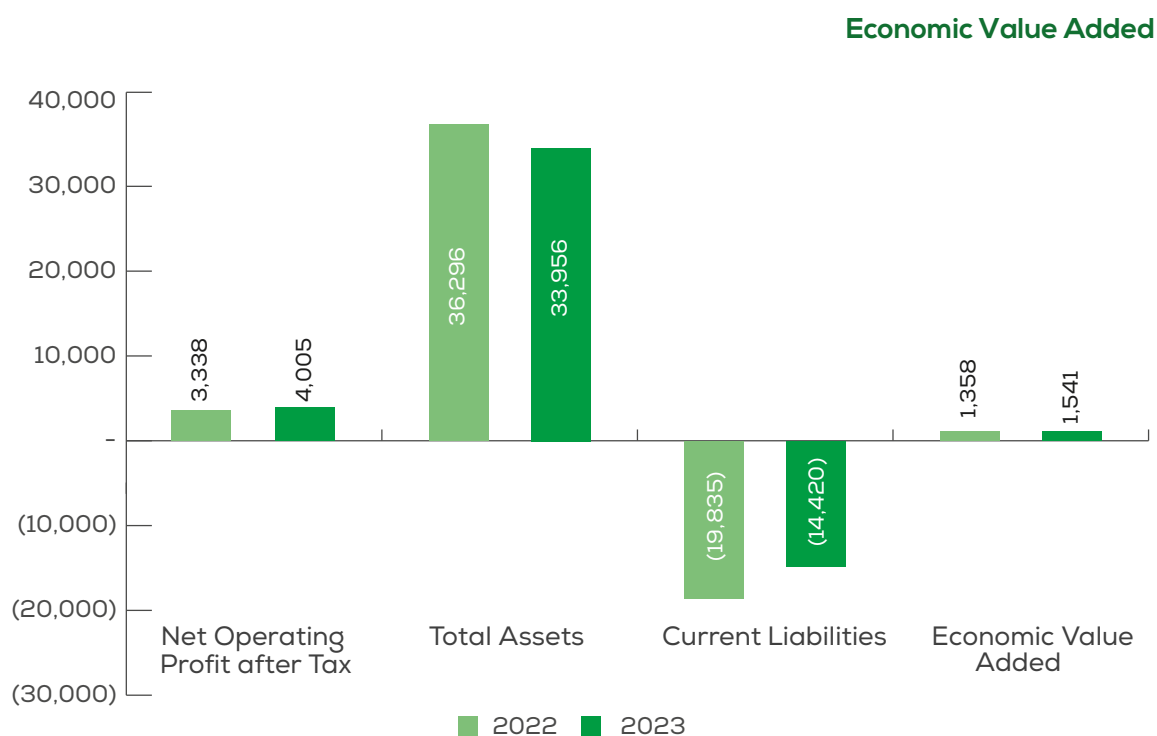


Free Cash Flow to Equity-holders



ECONOMIC VALUE ADDED

	2023	2022	2021	2020	2019	2018
	-----Rs. million-----					
Net operating profit after tax (NOPAT)	4,005	3,338	3,070	544	2,499	2,023
Cost of Capital*	(2,464)	(1,980)	(1,545)	(1,222)	(1,304)	(1,091)
Economic Value Added	1,541	1,358	1,526	(678)	1,195	932
Cost of Capital*						
Total Assets	33,956	36,296	28,791	23,140	25,327	22,465
Current Liabilities	(14,420)	(19,835)	(14,875)	(12,234)	(13,222)	(11,233)
Invested Capital	19,536	16,461	13,916	10,905	12,105	11,232
WACC	12.61%	12.03%	11.10%	11.21%	10.77%	9.71%
	2,464	1,980	1,545	1,222	1,304	1,091



COMMENTS ON SIX YEARS ANALYSIS

On the performance of the Company

ECONOMIC OVERVIEW

The recent years have been volatile, with a series of major events had adverse impacts on both the global and the domestic economies. COVID 19, energy shortages and price escalation, shipping constraints, the war in Ukraine, universal inflationary trends and the rise in interest rates as a result, combined with recent political turmoil posed formidable headwinds.

These challenges were met with resilience on the back of IIL's customary operational and financial strengths and the Company reported healthy profitability. We leveraged our expansive local dealer network and global sales footprint to identify and capitalize on new opportunities, even as we entrenched deeper into existing markets.

STATEMENT OF FINANCIAL POSITION

Over the last six years, the Company has invested in Plant and Machinery to improve capabilities and efficiency. Additions to and revaluation of land and building also contributed to the strengthening of the asset base.

Inflation in raw material prices and continuous depreciation of the PKR led to increased investment in working capital. The management is proactively managing inventory levels and credit extended to reduce the overall cycle and funds deployed.

Long-term investments represent the Company's strategic stakes in two listed companies, 56.33% in International Steels Limited and 17.12% in Pakistan Cables Limited, as well as 100% stakes in its wholly-owned subsidiaries, IIL Australia Pty Ltd, IIL Americas Inc. and IIL Construction Solutions (Private) Limited.

Shareholders' Equity consists of share capital, reserves, and revaluation surplus. Equity has increased over the past six years due to accumulated retained earnings and surplus on revaluation.

Non-current liabilities have increased in the past six years, principally due to the long-term loans obtained to enhance capabilities to produce large diameter tubes, PPRC, uPVC and Stainless Steel products. Current liabilities have increased substantially due to higher working capital requirement and a portion of long-term debt being shown in the current liabilities.

STATEMENT OF PROFIT OR LOSS

The top line witnessed continuous growth, except FY20 when the volumes declined due to the lockdowns forced by COVID-19 and FY23 where the market contracted due to economic and political instability.

Administrative and selling expenses were broadly consistent and proportionate with sales in last six years. Distribution expenses remained in line with exchange and fuel rates except for abnormal global container shortages and congestions at major ports during FY22.

Continuous depreciation of the Rupee resulted in higher working capital deployment despite the efficiencies achieved in its management as imported raw material represents major portion of our cost of goods sold. During FY23, the exchange rate and policy rate witnessed very sharp surges, resulting in higher Finance cost.

Other Income mainly consists of dividends received from strategic investments and gains due to exchange differences whereas Other Expenses mainly comprise of WWF / WPPF which are directly derived from profitability.

The corporate tax rates pertaining to normal, presumptive, and minimum regimes remained fairly consistent over the period. However, the tax charge for FY23 was higher on account of 10% Super Tax imposed by the Government for the year.

CASHFLOW ANALYSIS

The Company's expansion projects are financed through profit retention and / or long-term borrowings at favorable terms. Working capital needs are fulfilled through short-term running finance from reputable banks.

Continuously rising inflation in raw materials prices and depreciation of the PKR resulted in net cash investment in operating activities. These comprise of investment in capital expenditure and subsidiaries, net of dividend income.

Financing activities comprise of long-term loans obtained, changes in short-term borrowings and dividends paid out to the shareholders.

RATIO ANALYSIS

PROFITABILITY

EBITDA margin to sales at 19% was driven by strong margins due to limited availability of raw material in the market in the wake of depleting exchange reserves which led to trade tightening by the SBP.

INVESTMENT / MARKET

Profitability rebounded strongly during last 2 years mainly on account of robust margins during the commodity super cycle and the SBP-driven curbs on the establishment of Letters of Credit. This yielded healthy Earnings Per Share of Rs. 17.23. Price Earnings ratio stood at lowest level of 4.2 in FY23, which is reflective of current stock market sentiment amidst politico-economic uncertainty.

LIQUIDITY

Throughout the last six years, the Company's current ratio remained above 1. All debt commitments were discharged on a timely basis. Net Cash from operations remained volatile due to fluctuations in international steel prices and exchange rates.

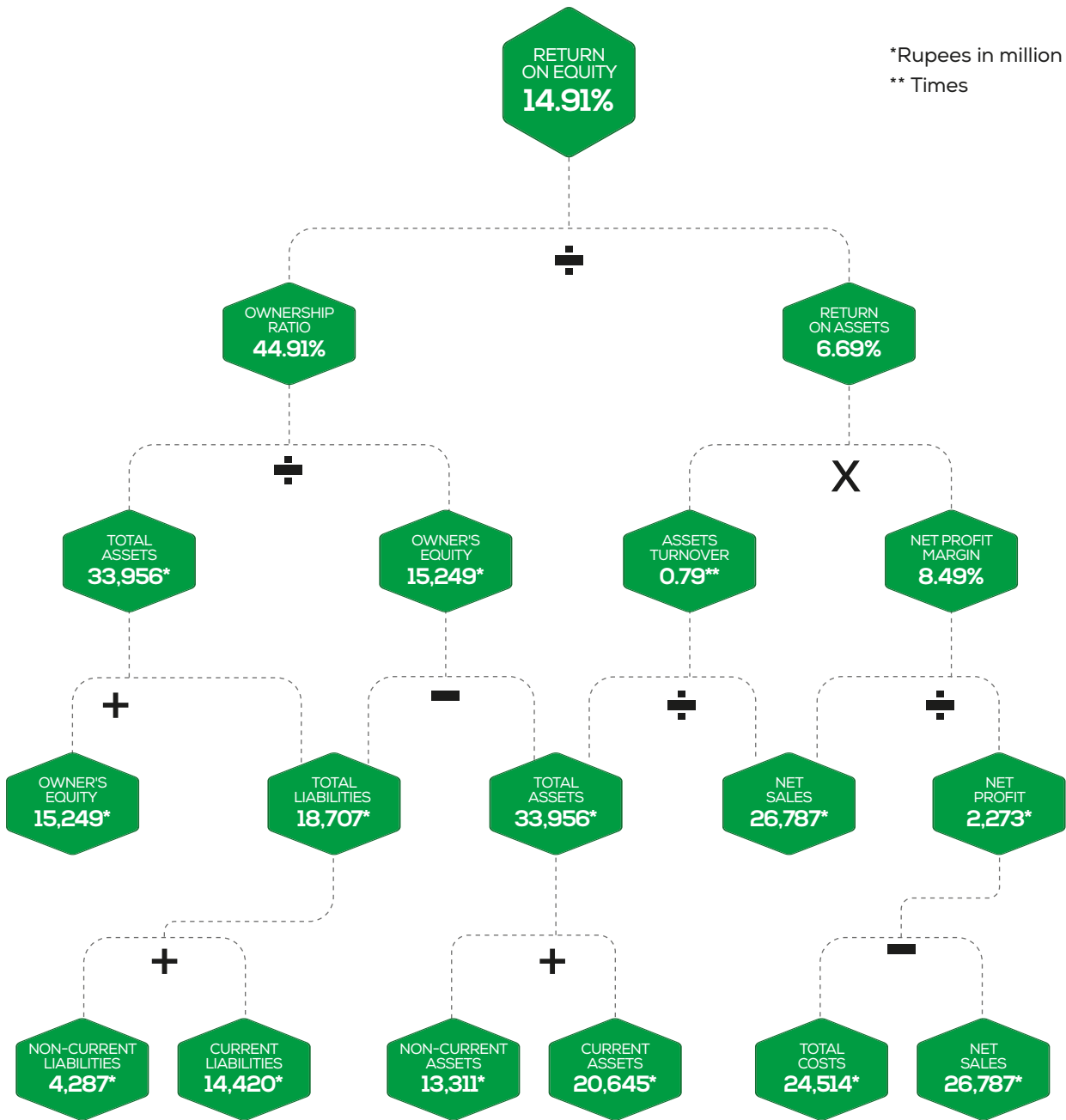
CAPITAL STRUCTURE

The gearing level of the Company remained around 60:40 for most part of the last six years. However, it improved to 55:45 during outgoing year due to improved working capital management leading to a lower level of funds deployed and profit retention.

ACTIVITY / TURNOVER

The operating cycle mostly stood at the normal level of 170-180 days except in FY20 and FY23, years for which exceptionally low sales due to COVID-19 and economic uncertainty led to a spike.

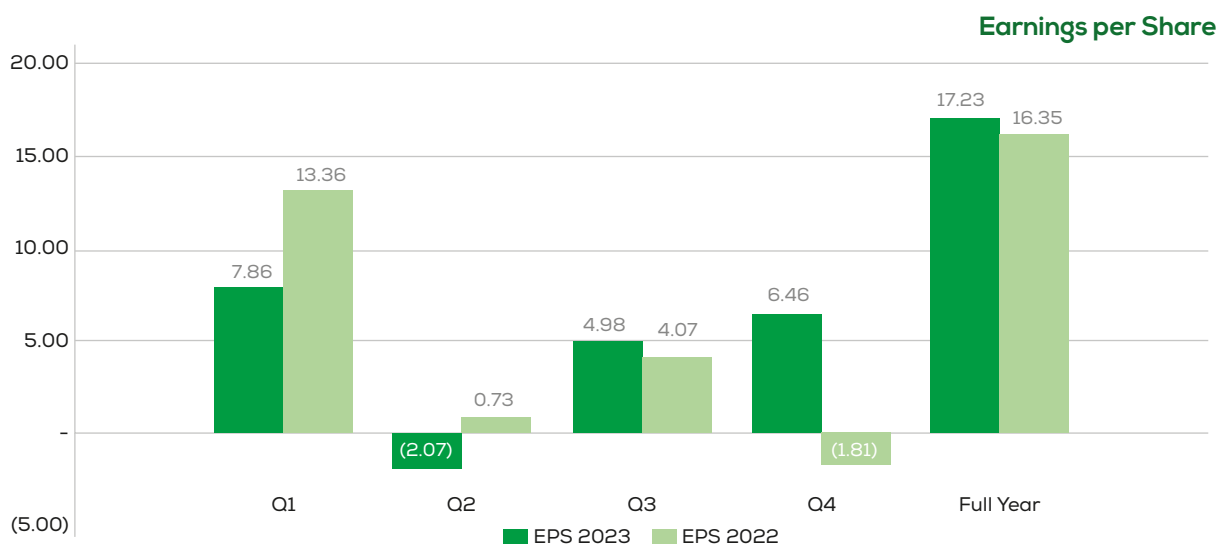
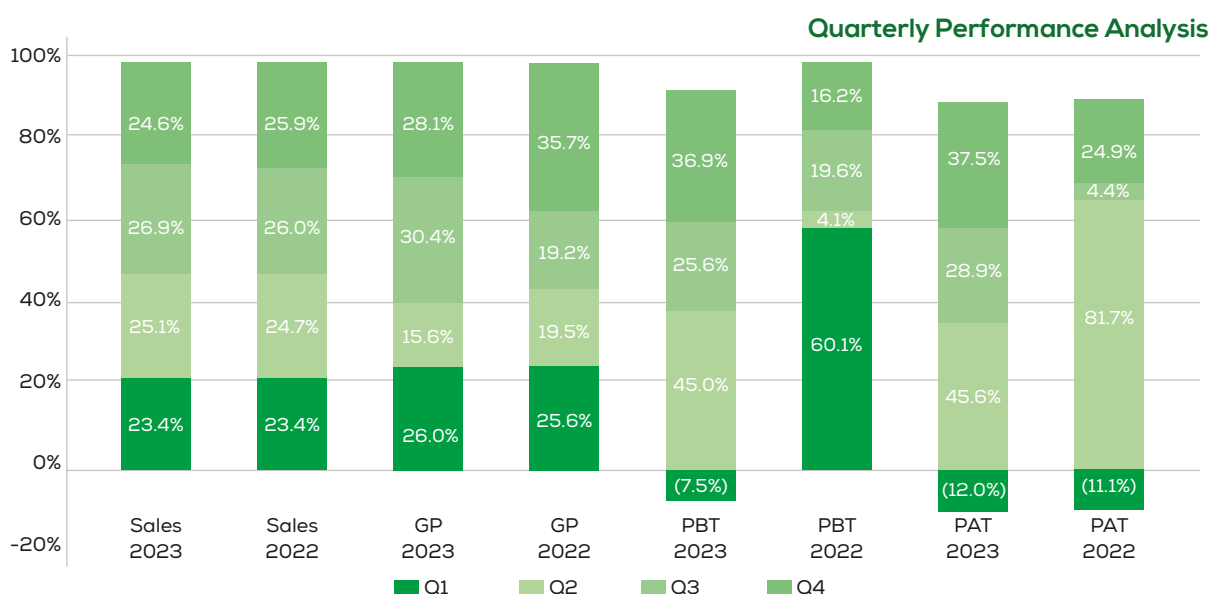
DUPONT ANALYSIS 2023



QUARTERLY PERFORMANCE ANALYSIS

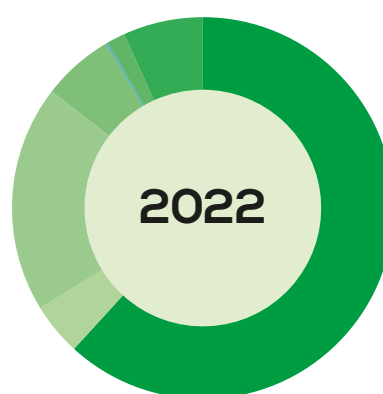
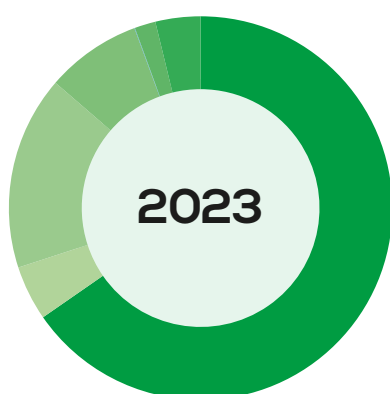
Rs. in million

	2023									
	Q1		Q2		Q3		Q4		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenue	6,271	100.0	6,719	100.0	7,202	100.0	6,595	100.0	26,787	100.0
Cost of sales	(5,382)	(85.8)	(6,186)	(92.1)	(6,162)	(85.6)	(5,635)	(85.4)	(23,365)	(87.2)
Gross Profit	888	14.2	533	7.9	1,041	14.4	960	14.6	3,422	12.8
Selling and distribution cost	(485)	(7.7)	(285)	(4.2)	(337)	(4.7)	(349)	(5.3)	(1,456)	(5.4)
Administration Cost	(91)	(1.4)	(70)	(1.0)	(105)	(1.5)	(86)	(1.3)	(352)	(1.3)
Operating Profit	313	5.0	177	2.6	599	8.3	525	8.0	1,614	6.0
Other expenses	(34)	(0.5)	26	0.4	(76)	(1.1)	(3)	(0.0)	(88)	(0.3)
Other income	1,482	23.6	49	0.7	585	8.1	973	14.7	3,089	11.5
EBIT	1,761	28.1	251	3.7	1,108	15.4	1,495	22.7	4,615	17.2
Finance cost	(462)	(7.4)	(466)	(6.9)	(371)	(5.2)	(432)	(6.5)	(1,732)	(6.5)
PBT / (LBT)	1,298	20.7	(215)	(3.2)	737	10.2	1,063	16.1	2,883	10.8
Taxation	(261)	(4.2)	(58)	(0.9)	(80)	(1.1)	(211)	(3.2)	(610)	(2.3)
PAT / (LAT)	1,037	16.5	(273)	(4.1)	657	9.1	852	12.9	2,273	8.5
EPS / (LPS) (Rupees)	7.86		(2.07)		4.98		6.46		17.23	



STATEMENT OF VALUE ADDITION

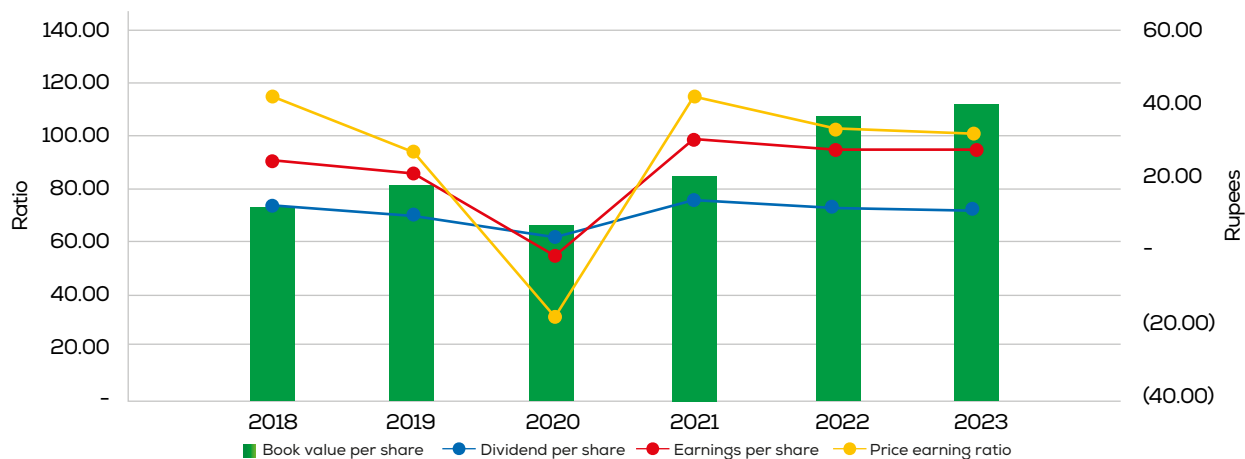
	2023		2022	
	Rupees in '000	%	Rupees in '000	%
Wealth Generated				
Sales including sales tax	30,700,121	90.9%	42,629,974	92.9%
Other operating income	3,088,861	9.1%	3,260,950	7.1%
	33,788,982	100%	45,890,924	100%
Wealth Distributed				
Cost of material & services	22,081,849	65.4%	33,928,631	73.9%
To Employees				
Salaries & other related cost	1,563,841	5%	1,586,593	3%
To Government				
Taxes & Duties	5,458,757	16.2%	6,414,648	14.0%
Worker Profit Participation Fund	53,675	0.2%	73,897	0.2%
Worker Welfare Fund	12,724	0.0%	35,831	0.1%
	5,525,156	16.4%	6,524,376	14.2%
To Providers of Capital				
Dividend to shareholders	989,114	2.9%	1,055,055	2.3%
Finance cost	1,731,881	5.1%	1,181,871	2.6%
	2,720,995	8.1%	2,236,926	4.9%
To Society				
Donation	15,825	0.05%	7,500	0.02%
Retained in Business				
For replacement of fixed assets				
Depreciation & Amortization	597,494	1.8%	506,285	1.1%
To provide for growth: Retained Profit	1,283,822	3.8%	1,100,613	2.4%
	1,881,316	5.6%	1,606,898	3.5%
	33,788,982	100%	45,890,924	100%



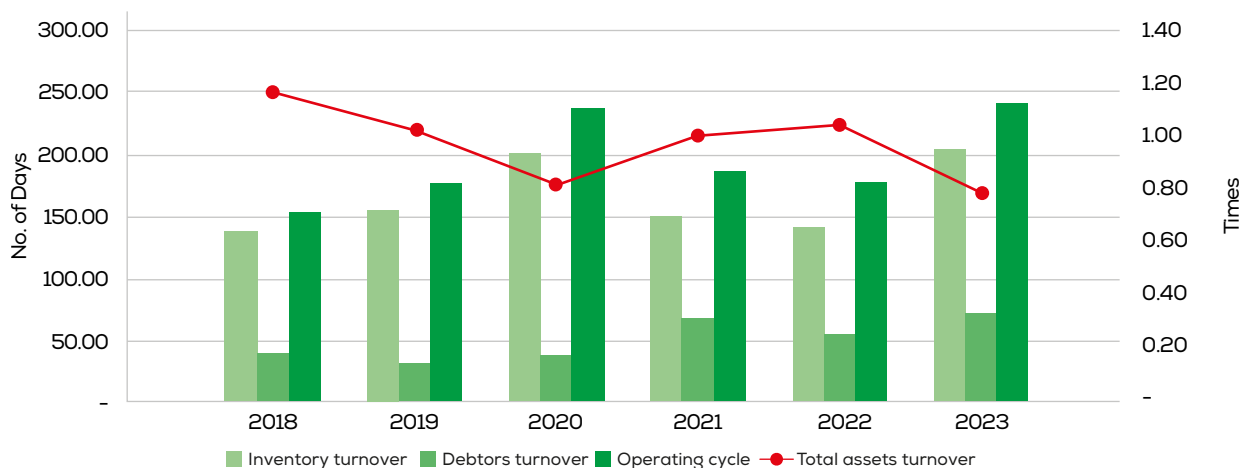
	2023	2022
Cost of material & services	65.4%	73.9%
To Employees	4.6%	3.5%
To Government	16.4%	14.2%
To Providers of Capital	8.1%	4.9%
To Society	0.05%	0.02%
Depreciation & Amortization	1.8%	1.5%
Retained Profit	3.8%	6.8%

PERFORMANCE AT A GLANCE

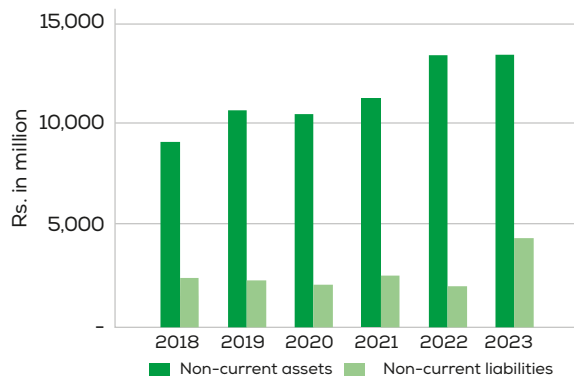
MARKET VALUE RATIO



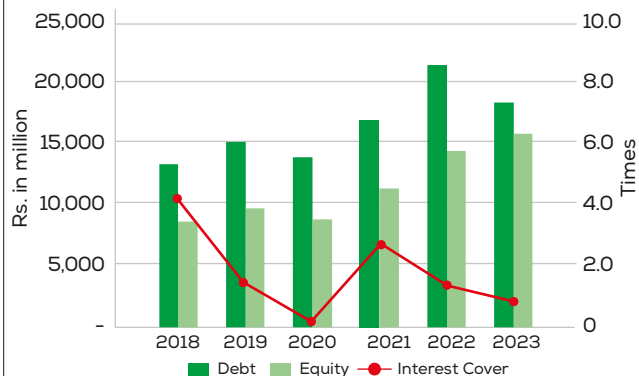
ASSETS MANAGEMENT RATIO



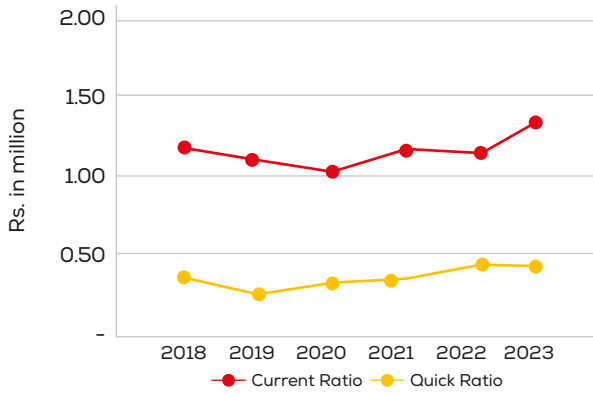
NON-CURRENT ASSETS & NON-CURRENT LIABILITIES



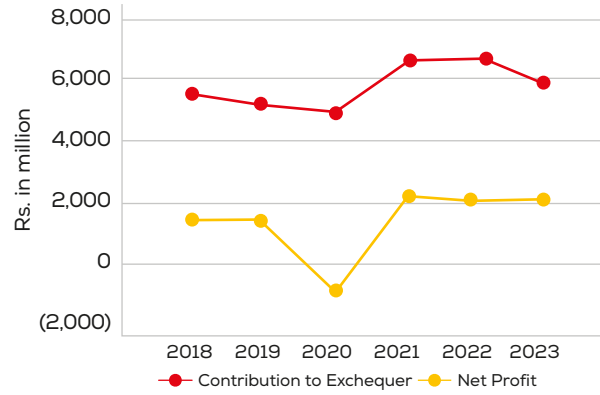
DEBT MANAGEMENT & INTEREST COVER RATIO



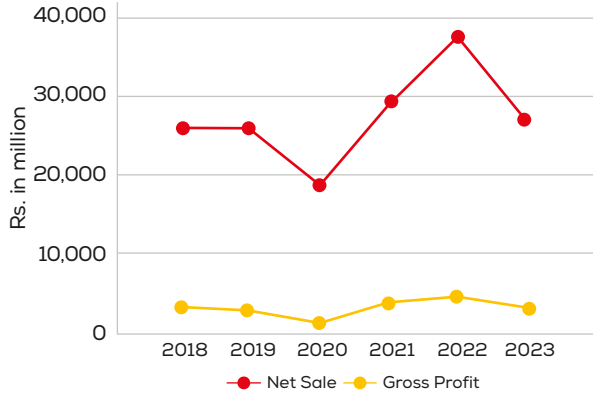
LIQUIDITY RATIO



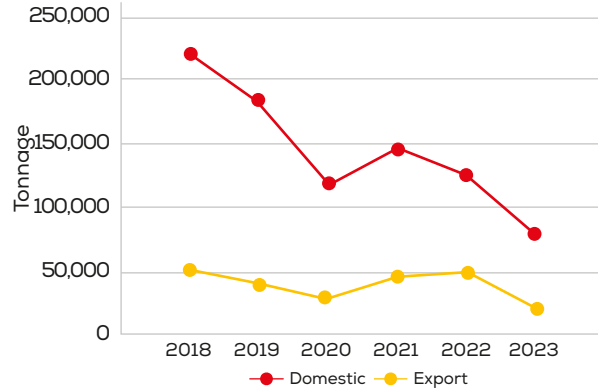
NET PROFIT & CONTRIBUTION TO EXCHEQUER



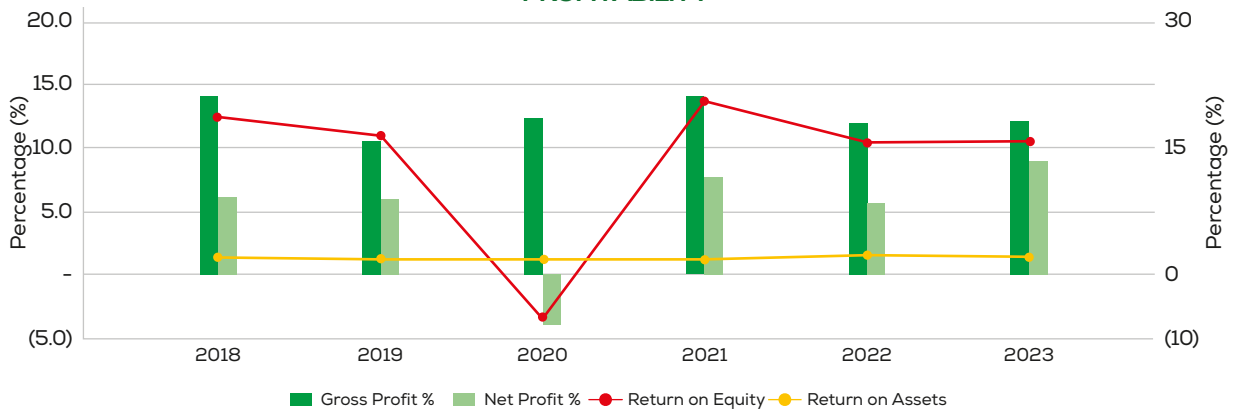
NET SALES & GROSS PROFIT



SALES BREAK-UP



PROFITABILITY



STATEMENT OF CASH FLOWS - DIRECT METHOD

For the year ended 30 June 2023

	2023	2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	34,761,153	39,081,902
Cash paid to suppliers / service providers and employees	(27,855,140)	(39,474,671)
Workers Funds	(62,177)	(113,506)
Sales tax payments	(836,581)	(241,125)
Finance cost paid	(1,608,163)	(904,840)
Income on bank deposits received	8,930	1,424
Staff retirement benefits paid	(49,000)	(61,915)
Payment on account of compensated absences	(18,513)	(15,974)
Income tax paid - net	(981,730)	(618,418)
(Increase) / decrease in long-term deposits	(153)	-
Net cash generated / (used) in operating activities	3,358,626	(2,347,123)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(551,191)	(766,259)
Payment for acquisition of intangible assets	(1,297)	(2,063)
Proceeds from disposal of property, plant and equipment	42,872	71,848
Dividend received	1,877,518	2,269,471
Net cash generated from investing activities	1,367,902	1,572,997
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	3,144,225	359,171
Repayment of long-term financing	(969,396)	(883,894)
Receipt / (repayment) of short-term borrowings - net	604,463	649,000
Dividend paid	(1,510,488)	(1,116,889)
Net cash generated / (used) in financing activities	1,268,804	(992,612)
Net increase / (decrease) in cash and cash equivalents	5,995,332	(1,766,738)
Cash and cash equivalents at beginning of the year	(10,419,740)	(8,653,002)
Cash and cash equivalents at end of the year	(4,424,408)	(10,419,740)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	212,471	113,580
Short-term borrowings maturing within three months	(4,636,879)	(10,533,320)
	(4,424,408)	(10,419,740)

FORWARD LOOKING STATEMENT



FORWARD LOOKING STATEMENT

The year 2022-23 brought a number of challenges. Unprecedented floods, polarized national politics, a contracting economy, the fast-depreciating Rupee and depleting foreign exchange reserves, monetary policy squeeze and the imposition of Super Tax were some of the major issues faced by almost all industrial sectors. The shortage of, and price inflation in, energy added to the general dampening of business confidence and further compressed demand for industrial goods. Many of these challenges have extended into FY 2024 and are expected to continue in the short to medium term.

The rapidly depreciating Rupee meant a significant increase in working capital requirement while high interest rates caused pressure on profitability. Your management responded by intensifying its focus on operational efficiencies and improved working capital management. This reduced working capital requirements and partially mitigated the impact of high interest rates. The Company also invested in solar energy infrastructure to generate 1 MW, and is on course to add another 3 MW into its energy mix in FY 2024.

Rapidly rising cost of living in Pakistan and uncertain political and economic conditions has also encouraged skilled labour and managers to look for employment opportunities abroad, resulting in a talent shortage which will pose another obstacle for businesses. While the Company has also seen some employee churn, management will put its best foot forward in its efforts to retain its top talent and attract more where required, thereby ensuring operational continuity.

Healthy monsoon rains in CY 2023 helped fill all water reservoirs which, it is hoped, may lead to healthy crops, which has, in turn, traditionally augur well in terms of demand stimulus and boosting a wide number of industrial sectors and business segments. We look forward to the possibility of higher agriculture yields creating demand for many of our products and technical offerings.

The Company has started to grow in the value addition segment. Its Construction Solutions arm has captured new opportunities for fabrication and installation of large structures using pipes and tubes produced by ILL, augmented by products and technology sourced through its alliance with a leading German building products company. In addition, opportunities are being explored to build on the establishment of ILL's overseas subsidiaries in Australia and North America by evaluating the feasibility of establishing on-ground presence in other overseas markets.

Your management continues to maintain focus on new products and new market segments. The uPVC plant has started to produce commercial quantities. Similarly, the Company has made investment to enhance the capacity and range of stainless steel products.

The Company embarked on a strategy of recalibrating its sales channel management and enhancing its presence beyond large cities to smaller urban centers, which collectively constitute a significantly large market. This will help to take advantage of any upswing in economic activity and market demand.



INDEPENDENT AUDITOR'S REPORT

To the members of International Industries Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of International Industries Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue from contracts with customers</p> <p>(Refer note 3.11 and note 26 to the unconsolidated financial statements)</p> <p>The Company recognizes revenue from domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. During the year, net sales to the domestic and export customers have decreased significantly by 18.72% and 54.63% respectively.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has decreased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - evaluated management controls over revenue and checked their validation; - performed verification of sales with underlying documentation including gate pass, delivery order and invoice; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority; - recalculated the commission as per Company's policy and verified related distribution expenses; - obtained confirmations from debtors on sample basis; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 4, 2023

UDIN: AR202310073wCUzmDRVX



Apr	May	Jun		Actual
1 837 756	2 440 646	3 453 119	2 Other Financial Income	2 797 616
0	0	0	20 Interest Income	109 727
1 837 756	2 440 646	3 453 119	21 Interest Expenses	2 901 343
262 540	310 077	420 108	22 Other Financial Cost	340 040
1 427 456	2 290 630	1 791 607	23 Depreciation and Amortization	1 407 219
1 114 017	762 611	543 264	24 Net Financial Items	424 225
2 804 021	3 383 290	2 754 979	25 Net Result	2 376 476
-966 265	-542 632	698 140		624 867
-12,58 %	-38,62 %	20,22 %		65
1 499	2 103	0	26 Sales	0
0	0	0	27 Other Operational Income	0
0	154	1 35	28 Other Operational Expense	0
6 455	7 116	7 41	29 Total Operating Income	0
0	0	0	30 Cost of Goods	0
7 954	9 409	8 7	31 Payroll and social Cost	0
974 219	952 035	689	32 Other Operating Expenses	0
			33 Total Operating Costs	0
			34 EBITDA	0
			35 Other Financial Income	0
			36 Interest Income	0
			37 Interest Expenses	0
			38 Other Financial Cost	0
			39 Depreciation and Amortization	0
			40 Net Financial Items	0
			41 Net Result	0

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
loss on finance lease receivables	3 300 930	1 837 756	2 440 666	649 791	2 221 090	2 221 090	2 221 090	2 221 090	2 221 090	2 221 090
loss on commitments and guarantees given	-200 000	0	0	0	0	0	0	0	0	0
Goodwill	2 900 930	1 837 756	2 440 666	649 791	2 221 090	2 221 090	2 221 090	2 221 090	2 221 090	2 221 090
loss on investments in subsidiaries, joint ventures and asso	217 329	262 540	210 077	15 210	916 906	479 204	622 832	479 204	622 832	479 204
loss on other non-financial assets	2 123 532	1 427 456	2 290 630	920 717	1 647 023	2 177 261	652 902	2 177 261	652 902	2 177 261
	561 587	1 114 017	762 611	522 633	394 936	2 309 367	23 965	2 309 367	23 965	2 309 367
	2 902 438	2 804 021	3 383 29	1 462 580	2 158 065	42 185	23 965	0,72 %	23 965	90,38 %
	-1 528	-964 265	-642 6	-818 829	-124,02 %	1,93 %	1 246	2 901	0	1 266
	-0,05 %	-32,58 %	-18,4	-54,77 %	16,22 %	0	0	0	0	0
	7 690	1 499	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0 976	6 410	1 351	7 473	2 036	2 117	12 013	0	0	0
	0	0	0	0	0	0	0	0	0	0
	16 666	7 954	8 764	19 161	4 663	18 896	5 000	1 424	541 208	541 208
	18 194	974 219	689 236	-827 990	67 522	5 000	0	0	0	0
This Period	2 990 447	-197 831	-6,6 %	4 834 603	161,3 %	161,3 %	161,3 %	161,3 %	161,3 %	161,3 %
Budget	102 077	-1 250	-1,2 %	500 227	4,9 %	4,9 %	4,9 %	4,9 %	4,9 %	4,9 %
	3 100 524	-189 381	-6,1 %	5 334 830	172,1 %	172,1 %	172,1 %	172,1 %	172,1 %	172,1 %
	280 642	-42 502	-15,1 %	1 934 603	689,3 %	689,3 %	689,3 %	689,3 %	689,3 %	689,3 %
	434 403	932 726	214,7 %	2 000 000	460,4 %	460,4 %	460,4 %	460,4 %	460,4 %	460,4 %
	414 175	10 050	2,4 %	1 000 000	241,3 %	241,3 %	241,3 %	241,3 %	241,3 %	241,3 %
	687 309	919 173	133,7 %	1 000 000	145,5 %	145,5 %	145,5 %	145,5 %	145,5 %	145,5 %
	43 220	-1 118 353	-25,8 %	1 000 000	2312,3 %	2312,3 %	2312,3 %	2312,3 %	2312,3 %	2312,3 %
	65	0	0,0 %	1 000 000	1538,5 %	1538,5 %	1538,5 %	1538,5 %	1538,5 %	1538,5 %
	0	0	0,0 %	1 000 000	1000,0 %	1000,0 %	1000,0 %	1000,0 %	1000,0 %	1000,0 %
	65	0	0,0 %	1 000 000	1538,5 %	1538,5 %	1538,5 %	1538,5 %	1538,5 %	1538,5 %
	1 272	0	0,0 %	1 000 000	78,6 %	78,6 %	78,6 %	78,6 %	78,6 %	78,6 %

UNCONSOLIDATED FINANCIAL STATEMENTS

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	2023	2022
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	9,933,911	9,983,844
Intangible assets	5	2,630	2,730
Investments	6	3,372,515	3,372,515
Long-term deposits		1,806	1,653
		13,310,862	13,360,742
CURRENT ASSETS			
Stores and spares	7	243,094	277,500
Stock-in-trade	8	14,105,808	13,577,794
Trade debts	9	5,270,752	8,800,377
Advances, trade deposits and prepayments	10	98,707	60,302
Other receivables	11	41,884	70,393
Sales tax receivable		672,749	34,875
Cash and bank balances	12	212,471	113,580
		20,645,465	22,934,821
TOTAL ASSETS		33,956,327	36,295,563
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	13	1,318,819	1,318,819
Revenue reserves			
General reserve	14	2,700,036	2,700,036
Unappropriated profit		6,322,088	5,465,105
Capital reserve			
Revaluation surplus on property, plant and equipment	15	4,908,327	5,110,255
TOTAL SHAREHOLDERS' EQUITY		15,249,270	14,594,215
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	16	4,004,213	1,346,449
Deferred income - government grant	17	39,961	49,959
Gas Infrastructure Development Cess	18	42,625	122,020
Staff retirement benefits	19	165,520	155,545
Deferred taxation - net	20	34,467	192,669
		4,286,786	1,866,642
CURRENT LIABILITIES			
Trade and other payables	21	4,223,289	4,440,453
Contract liabilities	22	925,354	341,989
Short-term borrowings - secured	23	7,345,342	12,637,320
Unclaimed dividend		46,149	39,996
Current portion of long-term financing - secured	16	608,826	1,078,944
Taxation - net	24	902,572	1,015,977
Accrued mark-up		368,739	280,027
		14,420,271	19,834,706
TOTAL LIABILITIES		18,707,057	21,701,348
CONTINGENCIES AND COMMITMENTS	25		
TOTAL EQUITY AND LIABILITIES		33,956,327	36,295,563

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contracts with customers	26	26,786,770	37,857,863
Cost of sales	27	(23,364,930)	(33,189,267)
Gross profit		3,421,840	4,668,596
Selling and distribution expenses	28	(1,403,728)	(2,587,596)
Administrative expenses	29	(352,447)	(345,679)
Charge of loss allowance on trade debts	9.3	(51,958)	(33,059)
		(1,808,133)	(2,966,334)
Operating profit		1,613,707	1,702,262
Finance cost	30	(1,731,881)	(1,181,871)
Other operating charges	31	(87,579)	(124,368)
		(1,819,460)	(1,306,239)
Other income	32	3,088,861	3,260,950
Profit before income tax		2,883,108	3,656,973
Income tax expense / credit	33	(610,172)	(1,501,305)
Profit after tax for the year		2,272,936	2,155,668
		(Rupees)	
Earnings per share - basic and diluted	34	17.23	16.35

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



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Officer



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UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

Note	2023	2022
	----- (Rupees in '000) -----	
Profit for the year	2,272,936	2,155,668
Other comprehensive (loss) / income		
Items that will not be subsequently reclassified to Unconsolidated Statement of Profit or Loss		
Re-measurement of staff retirement benefits	(1,289)	(54,299)
Adjustment related to opening deferred tax balance	12,994	253
Related deferred tax for the year	409	12,693
	13,403	12,946
	12,114	(41,353)
Surplus on revaluation of land and buildings		
Freehold land	-	5,444
Leasehold land	-	1,548,602
	-	1,554,046
Buildings on freehold land	-	132,745
Buildings on leasehold land	-	584,887
Related deferred tax for the year	-	(167,750)
Adjustment related to opening deferred tax balance on buildings	(113,354)	(1,555)
	(113,354)	548,327
	(113,354)	2,102,373
Other comprehensive (loss) / income for the year - net of tax	(101,240)	2,061,020
Total comprehensive income for the year	2,171,696	4,216,688

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



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UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	Un-appropriated profit	Revaluation surplus on property, plant and equipment	
(Rupees in '000)					
Balance as at July 1, 2021	1,318,819	2,700,036	4,419,169	3,060,499	11,498,523
Profit for the year	-	-	2,155,668	-	2,155,668
Other comprehensive (loss) / income for the year	-	-	(41,353)	2,102,373	2,061,020
Total comprehensive income for the year	-	-	2,114,315	2,102,373	4,216,688
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	4,001	(4,001)	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	48,616	(48,616)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 65% (i.e. Rs. 6.50 per share) for the year ended June 30, 2021	-	-	(857,232)	-	(857,232)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2022	-	-	(263,764)	-	(263,764)
Balance as at June 30, 2022	1,318,819	2,700,036	5,465,105	5,110,255	14,594,215
Profit for the year	-	-	2,272,936	-	2,272,936
Other comprehensive income / (loss) for the year	-	-	12,114	(113,354)	(101,240)
Total comprehensive income / (loss) for the year	-	-	2,285,050	(113,354)	2,171,696
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	88,574	(88,574)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 60% (i.e. Rs. 6.00 per share) for the year ended June 30, 2022	-	-	(791,291)	-	(791,291)
- Interim dividend at 55% (i.e. Rs. 5.50 per share) for the year ended June 30, 2023	-	-	(725,350)	-	(725,350)
Balance as at June 30, 2023	1,318,819	2,700,036	6,322,088	4,908,327	15,249,270

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



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UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023	2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	35	6,007,255	(747,400)
Finance cost paid		(1,608,163)	(904,840)
Income on bank deposits received		8,930	1,424
Staff retirement benefits paid		(49,000)	(61,915)
Payment on account of compensated absences		(18,513)	(15,974)
Income tax paid - net		(981,730)	(618,418)
(Increase) / decrease in long-term deposits		(153)	-
Net cash generated from / (used in) operating activities		3,358,626	(2,347,123)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(551,191)	(766,259)
Payment for acquisition of intangible assets		(1,297)	(2,063)
Proceeds from disposal of property, plant and equipment		42,872	71,848
Dividend received		1,877,518	2,269,471
Net cash generated from investing activities		1,367,902	1,572,997
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		3,144,225	359,171
Repayment of long-term financing		(969,396)	(883,894)
Receipt of short-term borrowings - net		604,463	649,000
Dividend paid		(1,510,488)	(1,116,889)
Net cash generated from / (used in) financing activities		1,268,804	(992,612)
Net increase / (decrease) in cash and cash equivalents		5,995,332	(1,766,738)
Cash and cash equivalents at beginning of the year		(10,419,740)	(8,653,002)
Cash and cash equivalents at end of the year	36	(4,424,408)	(10,419,740)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



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NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

1. STATUS AND NATURE OF BUSINESS

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

The manufacturing facilities of the Company are situated as follows:

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

The sales offices of the Company are situated as follows:

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (Gratuity Fund) that is determined based on the present value of defined benefit obligation determined by an independent actuary less fair value of plan assets and land and buildings that are stated at fair values determined by an independent valuer.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in future periods are described in the following notes:

- Property, plant and equipment (note 3.1)
- Trade debts, advances and other receivables (note 3.4.2.1)
- Stores and spares (note 3.5)
- Stock-in-trade (note 3.6)
- Taxation (note 3.7)
- Staff retirement benefits (note 3.9)
- Impairment (note 3.14)
- Provisions (note 3.15)
- Contingent liabilities (note 3.16)

2.5 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computations adopted in the preparation of these unconsolidated financial statements are same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2022.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold land, leasehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold and leasehold lands are stated at revalued amounts, and buildings on freehold and leasehold lands are stated at revalued amounts less accumulated depreciation and impairment loss, if any. The value assigned to leasehold lands is not amortized as the respective leases are expected to be renewed for further periods on payment of relevant rentals. The costs of property, plant and equipment include:

- (a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the Unconsolidated Statement of Profit or Loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in note 4.1 to the unconsolidated financial statements and is generally recognised in the Unconsolidated Statement of Profit or Loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of land and buildings is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of land and buildings is recognised, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the Unconsolidated Statement of Profit or Loss, in which case the increase is first recognised in the Unconsolidated Statement of Profit or Loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset and all other decreases are charged to Unconsolidated Statement of Profit or Loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the Unconsolidated Statement of Profit or Loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the Unconsolidated Statement of Profit or Loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to retained earnings.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year are recognised as an intangible asset.

Indefinite intangible

These are stated at cost less impairment, if any.

Definite intangible

- a) These are stated at cost less accumulated amortisation and impairment, if any.
- b) These are amortised on straight line basis over the estimated useful life(s) of these assets (refer note 5).
- c) Amortisation on additions during the year is charged from month in which the asset is intended to be used, whereas no amortisation is charged from the month the asset is disposed-off.

3.3 Investments

Investments in subsidiaries

Investments in subsidiaries are initially recognised and carried at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in the Unconsolidated Statement of Profit or Loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the Unconsolidated Statement of Profit or Loss.

Investments in associates

Investments in associates are initially recognised and carried at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in Unconsolidated Statement of Profit or Loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the Unconsolidated Statement of Profit or Loss.

3.4 Financial instruments

3.4.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the Unconsolidated Statement of Profit or Loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the Unconsolidated Statement of Profit or Loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Unconsolidated Statement of Profit or Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the Unconsolidated Statement of Profit or Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the Unconsolidated Statement of Profit or Loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the Unconsolidated Statement of Profit or Loss.

3.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances, other receivables and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.4.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off where there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.4.2.2 Cash and cash equivalents

For the purpose of presentation in the Unconsolidated Statement of Cash Flows, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts, short-term investments with original maturities of three months or less and short term borrowing and short term finances availed by the Company, which form an integral part of the Company's cash management.

3.4.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.4.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the Unconsolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.4.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

3.4.3.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.4.4 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the Unconsolidated Statement of Financial Position at estimated fair value with corresponding effect to Unconsolidated Statement of Profit or Loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.4.5 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the Unconsolidated Statement of Profit or Loss. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.5 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving spares and is recognised in the Unconsolidated Statement of Profit or Loss.

3.6 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw materials in transit comprise of invoice value and other charges thereon. Net realizable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realizable value.

3.7 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Unconsolidated Statement of Profit or Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.9 Staff retirement benefits

3.9.1 Defined benefit plan

The Company provides gratuity benefits to all its permanent employees who have completed their minimum qualifying period of service i.e. three year (except in case of workers where minimum qualifying period of service is six months). For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service. For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service. The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset)

during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in the Unconsolidated Statement of Profit or Loss. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.9.2 Defined contribution plan

The Company provides provident fund benefits to all its officers. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the Unconsolidated Statement of Profit or Loss.

3.9.3 Compensated absences

The liability for accumulated compensated absences of employees is recognised in the period in which employees render service that increases their entitlement to future compensated absences.

3.10 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the Unconsolidated Statement of Profit or Loss currently. The exchange gain on export receivable is restricted as per foreign exchange circulars issued by State Bank of Pakistan.

3.11 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.
- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement.
- Toll manufacturing / partial manufacturing income is recognised when related services are rendered.
- Service income is recognised when related services are rendered.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.12 Other Income

- Income from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited (KE).

- Dividend income is recognised when the right to receive the dividend is established.
- Gains / losses arising on sale of investments are included in the Unconsolidated Statement of Profit or Loss in the period in which they arise.
- Rental income is recognised on straight line basis over the term of the respective lease agreement.

3.13 Income on bank deposits and finance cost

The Company's finance income and finance cost includes interest income and interest expense. Interest income or expense is recognised using the effective interest method.

3.14 Impairment

3.14.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2023 or July 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

A financial asset is considered in default when the counterparty fails to make contractual payments within one year of when they fall due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

3.14.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, stock-in-trade and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Unconsolidated Statement of Profit or Loss.

3.15 Provisions

A provision is recognised in the Unconsolidated Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. The nature of provision is not stated in the financial statements where such is expected to materially prejudice company's position, as allowed under the applicable accounting framework.

3.16 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. The management monitors the operating results of its products (i.e. Steel and Polymer pipes) separately for the purposes of making decisions regarding resource allocation and performance assessment. Further, due to significant returns from its investment in 56.33% owned subsidiary and an associated company, the management monitors returns from its strategic investments separately. Accordingly, investments has also been identified as a reportable segment.

The Company does not consider sale of electricity to K-Electric Limited (KE) as separate reportable segment as the power plant of the Company is installed primarily to supply power to its production facilities and currently only excess electricity, if any, is sold to KE.

3.18 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.19 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit, that is the government grant, is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.20 Leasing arrangements

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating assets	4.1	9,862,465	9,911,467
Capital work-in-progress (CWIP)	4.2	63,475	65,839
Stores and spares held for capital expenditures - at cost	4.3	7,971	6,538
		9,933,911	9,983,844

	Land - revalued - note 4.1.2		Buildings - revalued - note 4.1.2		Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	Freehold	Leasehold	Freehold land	Leasehold land				
----- (Rupees in '000) -----								
Balance as at July 1, 2022								
Cost / revalued amount	706,870	4,230,765	442,100	1,748,197	5,894,463	151,768	189,691	13,363,854
Accumulated depreciation	-	-	-	-	(3,237,906)	(118,872)	(95,609)	(3,452,387)
Net book value (NBV)	706,870	4,230,765	442,100	1,748,197	2,656,557	32,896	94,082	9,911,467
Transfers from CWIP	-	-	2,412	76,919	400,001	21,954	50,836	552,122
Disposals - note 4.1.3								
- Cost	-	-	-	-	(2,412)	(3,194)	(56,090)	(61,696)
- Accumulated depreciation	-	-	-	-	2,103	2,852	51,714	56,669
	-	-	-	-	(309)	(342)	(4,376)	(5,027)
Depreciation charge - note 4.1.1	-	-	(45,626)	(186,639)	(316,130)	(15,436)	(32,266)	(596,097)
Balance as at June 30, 2023 (NBV)	706,870	4,230,765	398,886	1,638,477	2,740,119	39,072	108,276	9,862,465
Gross carrying value as at June 30, 2023								
Cost / revalued amount	706,870	4,230,765	444,512	1,825,116	6,292,052	170,528	184,437	13,854,280
Accumulated depreciation	-	-	(45,626)	(186,639)	(3,551,933)	(131,456)	(76,161)	(3,991,815)
Net book value	706,870	4,230,765	398,886	1,638,477	2,740,119	39,072	108,276	9,862,465
Depreciation rates (% per annum)	-	-	2 - 50	2 - 50	3 - 50	10 - 33.3	20	
Balance as at July 1, 2021								
Cost / revalued amount	701,426	2,681,474	412,531	1,493,651	5,418,790	135,295	169,539	11,012,706
Accumulated depreciation	-	-	(75,263)	(263,636)	(3,025,129)	(107,954)	(101,435)	(3,573,417)
Net book value (NBV)	701,426	2,681,474	337,268	1,230,015	2,393,661	27,341	68,104	7,439,289
Transfers from CWIP	-	689	2,584	71,337	581,391	19,302	59,599	734,902
Surplus on revaluation	5,444	1,548,602	132,745	584,887	-	-	-	2,271,678

	Land - revalued - note 4.1.2		Buildings - revalued - note 4.1.2		Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	Freehold	Leasehold	Freehold land	Leasehold land				
----- (Rupees in '000) -----								
Disposals								
- Cost	-	-	-	(23,283)	(105,718)	(2,829)	(39,447)	(171,277)
- Accumulated depreciation	-	-	-	7,592	96,776	2,818	35,033	142,219
Depreciation charge	-	-	(30,497)	(122,351)	(309,553)	(13,736)	(29,207)	(505,344)
Balance as at June 30, 2022 (NBV)	706,870	4,230,765	442,100	1,748,197	2,656,557	32,896	94,082	9,911,467
Gross carrying value as at June 30, 2022								
Cost / revalued amount	706,870	4,230,765	442,100	1,748,197	5,894,463	151,768	189,691	13,363,854
Accumulated depreciation	-	-	-	-	(3,237,906)	(118,872)	(95,609)	(3,452,387)
Net book value	706,870	4,230,765	442,100	1,748,197	2,656,557	32,896	94,082	9,911,467
Depreciation rates (% per annum)	-	-	2 - 50	2 - 50	3 - 50	10 - 33.3	20	

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
(Rupees in '000)			
Cost of sales	27	542,384	465,086
Selling and distribution expenses	28	17,261	15,647
Administrative expenses	29	16,565	12,314
Income from power generation	32.3	19,887	12,297
		<u>596,097</u>	<u>505,344</u>

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company and related forced sales values are as follows:

Particulars	Location	Area of land (Acres)	Covered Area (Square Feet)	Forced sales value (Rupees in '000)
Leasehold Land and Building (Manufacturing plant)	Plot no. LX15 - 16, HX-7/4, LX-2 Landhi Industrial Estate, Karachi	25.59	791,614	5,833,421
Leasehold Land and Building (Manufacturing plant)	22 KM Sheikhpura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhpura	31.45	370,664	1,436,404
Freehold Land and Building (Manufacturing plant)	Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi	10	220,480	1,638,937
Leasehold Building (Office premises)	Office no. 101 - 107, 1 st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi	Not applicable	13,676	191,459
Leasehold Building (Sales office premises)	Chinoy House, 2 nd and 3 rd Floor, Bank Square, Off Thornton Road, Hadbast Mouza Khas, Lahore	Not applicable	4,906	39,616

Particulars	Location	Area of land (Acres)	Covered Area (Square Feet)	Forced sales value (Rupees in '000)
Freehold Land and Building (Sales godown)	Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore	0.17	6,295	50,315
Freehold Land and Building (Sales godown)	Plot no. 47, Khasra no. 298/1, 2978/1, Ghoray Shah Road, Hadbast Mouza Khoi Meran, Lahore	0.18	6,215	32,208
				<u>9,222,360</u>

The carrying amount of the aforementioned assets as at June 30, 2023, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
	----- (Rupees in '000) -----		
Freehold land	141,962	-	141,962
Leasehold land	725,145	-	725,145
Buildings	1,570,089	(755,371)	814,718
As at June 30, 2023	2,437,196	(755,371)	1,681,825
As at June 30, 2022	2,357,865	(657,374)	1,700,491

4.1.3 Details of property, plant and equipment disposed off / scrapped having book value of five hundred thousand rupees or more each are as follows:

Asset category	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	----- (Rupees in '000) -----							
Vehicles								
Toyota Corolla	2,505,000	1,544,749	960,251	2,295,000	1,334,749	As per Policy	Mr.Khizer Ahmed Junaidi	Employee
Honda Civic	2,923,500	2,241,349	682,151	2,878,100	2,195,949	As per Policy	Ms.Asema Tapal	Employee
Toyota Corolla Altis	3,375,000	1,462,500	1,912,500	3,600,000	1,687,500	As per Policy	Mr. Owais Ahmed	Employee
Total	8,803,500	5,248,598	3,554,902	8,773,100	5,218,198			

4.2 Capital work-in-progress (CWIP)

	2023				2022			
	As at July 1, 2022	Additions / adjustments	Transfers / adjustments	As at June 30, 2023	As at July 1, 2021	Additions / adjustments	Transfers / adjustments	As at June 30, 2022
----- (Rupees in '000) -----								
Leasehold land	-	-	-	-	-	689	(689)	-
Buildings on freehold land	2,263	149	(2,412)	-	-	4,847	(2,584)	2,263
Buildings on leasehold land	43,168	34,392	(76,919)	641	1,673	112,832	(71,337)	43,168
Plant and machinery	18,392	441,366	(400,001)	59,757	24,031	575,752	(581,391)	18,392
Furniture, fixtures and office equipment	1,849	23,139	(21,954)	3,034	434	20,717	(19,302)	1,849
Vehicles	167	50,712	(50,836)	43	-	59,766	(59,599)	167
	65,839	549,758	(552,122)	63,475	26,138	774,603	(734,902)	65,839

4.3 Stores and spares held for capital expenditures - at cost

	Note	2023	2022
(Rupees in '000)			
Net book value (NBV) at beginning of the year		6,538	14,882
Additions during the year		9,199	16,841
Transfers made during the year		(7,766)	(25,185)
NBV at end of the year		7,971	6,538

5. INTANGIBLE ASSETS

	Note	2023	2022
Operating intangible assets	5.1	2,481	2,730
Capital work-in-progress (CWIP)		149	-
		2,630	2,730

5.1 Operating intangible assets

	Note	2023	2022
Net book value at beginning of the year		2,730	1,308
Additions / transfers		1,148	2,363
Amortisation	5.1.2	(1,397)	(941)
Balance at end of the year		2,481	2,730

Gross carrying value as at June 30

	2023	2022
Cost	80,198	79,050
Accumulated amortisation	(77,717)	(76,320)
Net book value	2,481	2,730

Percent

	2023	2022
Amortisation rate (per annum)	33.33	33.33

5.1.1 Intangible assets comprise of computer software and licenses.

5.1.2 The amortisation expense for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	27	360	360
Selling and distribution expenses	28	349	281
Administrative expenses	29	688	300
		1,397	941

6. INVESTMENTS

2023	2022		Note	2023	2022
(Number of shares)				(Rupees in '000)	
Quoted Companies					
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	6.1	2,450,555	2,450,555
7,615,588	6,092,470	Pakistan Cables Limited (PCL) - associated company, at cost	6.2	817,553	817,553
Un-quoted Companies					
150,000	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	6.4	17,966	17,966
100,000	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	6.5	9,168	9,168
7,727,270	7,727,270	IIL Construction Solutions (Private) Limited (IIL CSL) - subsidiary company, at cost	6.6	77,273	77,273
				3,372,515	3,372,515

6.1 The Company holds 56.33% (2022: 56.33%) ownership interest in ISL. The Chief Executive Officer of ISL is Mr. Yousuf H. Mirza. The price per share of ISL as at reporting date was Rs. 40.53 (2022: Rs. 59.36) resulting in a market value of total investment amounting to Rs. 9,932.1 (2022: Rs. 14,546.5 million).

6.1.1 The Company has pledged 500,000 shares of International Steels Limited in the Honourable Sindh High Court as explained in note 25.1.2.

6.2 The Company holds 17.124% (2022: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Company considers it has significant influence over PCL as, in addition to its holding, the Chairman of the Board of the Company is also the Chairman of the Board of PCL. The price per share of PCL as at reporting date was Rs. 82.92 (2022: Rs. 139.50) resulting in a market value of total investment amounting to Rs. 631.48 million (2022: Rs. 849.89 million).

- 6.3** Market values of the investments disclosed in note 6.1 and 6.2 is categorised as level 1 fair value measurement in accordance with IFRS 13 'Fair Value Measurement'.
- 6.4** The Company holds 100% (2022: 100%) ownership interest in IIL Americas. The Chief Executive Officer of IIL Americas is Mr. Aslam Sadruddin. IIL Americas has a registered office situated at Suite 210, 5800 Ambler Drive Mississauga, ON L4W 4J4, Canada. The Company has invested CAD 150,000 (2022: CAD 150,000) in IIL Americas as at year end. The book value of IIL Americas based on the financial statements as at June 30, 2023 is CAD 152,386 (Rs. 33.24 million) [2022: CAD 424,983 (Rs. 67.27 million)].
- 6.5** The Company holds 100% (2022: 100%) ownership interest in IIL Australia. The Chief Executive Officer of IIL Australia is Mr. Sohail R. Bhojani. The Company has a registered office situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia. The latest available financial statements are prepared on going concern basis. IIL Australia has been audited by KST Partners Chartered Accountants and they have expressed an unqualified opinion on the financial statements of the subsidiary. The Company has invested AUD 100,000 (2022: AUD 100,000) in IIL Australia as at year end. The book value of IIL Australia based on the financial statements as at June 30, 2023 is AUD 920,832 (Rs. 176.99 million) [2022: AUD 620,898 (Rs. 87.33 million)].
- 6.6** The Company holds 100% (2022: 100%) ownership interest in IIL CSL amounting to Rs. 77.3 million (2022: Rs. 77.3 million). IIL CSL has its registered office situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530. The principal business activity of this subsidiary is to carry on the business of providing scaffolding solutions. The Chief Executive Officer of IIL CSL is Mr. Zulfiqar Mooraj. The book value of IIL CSL based on the financial statements as at June 30, 2023 is Rs. 123.35 million (2022: Rs. 124.9 million).
- 6.7** The above investments have been made in accordance with the requirements of Companies Act, 2017.

7. STORES AND SPARES

Note	2023	2022
	(Rupees in '000)	
Stores	209,026	187,729
Spares	85,655	105,394
Loose tools	9,301	11,876
	303,982	304,999
Less: Provision for net realisable value write down	7.1 (60,888)	(27,499)
	243,094	277,500

7.1 Provision for net realisable value write down

Balance as at 1 July 2022	27,499	27,499
Provision during the year	33,389	-
Balance as at 30 June 2023	60,888	27,499

8. STOCK-IN-TRADE

	Note	2023	2022
		(Rupees in '000)	
Raw material	8.1	6,768,397	2,834,857
- in hand		1,540,685	5,033,016
- in transit		8,309,082	7,867,873
Work-in-process		1,164,330	1,539,000
Finished goods		4,424,204	4,015,843
By-products		24,950	50,531
Scrap material		183,242	104,547
		14,105,808	13,577,794

8.1 Raw material amounting to Rs. 2.8 million as at June 30, 2023 (2022: Rs. 7.7 million) was held at a vendor's premises for the production of pipe caps.

9. TRADE DEBTS

	Note	2023	2022
		(Rupees in '000)	
Considered good - secured	9.1	46,313	103,564
- unsecured		5,224,439	8,696,813
		5,270,752	8,800,377
Considered doubtful		178,881	126,923
		5,449,633	8,927,300
Loss allowance on trade debts	9.3	(178,881)	(126,923)
		5,270,752	8,800,377

9.1 These represent trade debts arising on account of export sales of Rs. 46.3 million (2022: Rs. 100.1 million) which are secured by way of export Letters of Credit and Rs. NIL (2022: Rs. 3.46 million) on account of domestic sales which are secured by way of Inland Letters of Credit.

9.2 Related parties from whom trade debts are due as at June 30, 2023 are as under:

	2023	2022
	(Rupees in '000)	
IIL Australia Pty Limited	1,143,493	2,502,578
IIL Americas Inc.	1,664,609	2,833,767
Pakistan Cables Limited	13,125	680
IIL Construction Solutions (Private) Limited	13,453	265,669
Cherat Cement Company Limited	-	1,123
	2,834,680	5,603,817

9.2.1 The maximum aggregate amount due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 5,821.09 million (2022: Rs. 6,262.8 million). Companies fully owned subsidiaries, IIL Americas and IIL Australia, have obtained credit insurance on their debtors.

9.2.2 The ageing of trade debts from related parties as at the reporting date is as under:

	Note	2023	2022
		(Rupees in '000)	
Not yet due		1,091,851	3,420,318
Past due 1 - 60 days		679,918	1,729,194
Past due 61 - 180 days		244,262	450,618
Past due 181 - 365 days		818,649	3,687
		2,834,680	5,603,817

9.3 Loss allowance on trade debts

Balance at beginning of the year		126,923	93,864
Charge of loss allowance on trade debts		51,958	33,059
Balance at end of the year		178,881	126,923

10. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

Considered good - unsecured			
- Suppliers	10.1	82,700	46,106
- Employees for business related expenses	10.1	4,705	3,567
Trade deposits	10.1	2,927	3,594
Prepayments		8,375	7,035
		98,707	60,302

10.1 These advances and trade deposits are non interest bearing.

11. OTHER RECEIVABLES

Note	2023	2022
	(Rupees in '000)	
Considered good		
Insurance claim	-	14,926
Receivable from K-Electric Limited (KE) - unsecured	5,678	27,543
Receivable from Provident Fund - unsecured	31,192	27,924
Others	5,014	-
	41,884	70,393
Considered doubtful		
Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods	25,940	25,940
Receivable against short shipment	150,000	-
	217,824	96,333
Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in prior periods	(25,940)	(25,940)
Provision for receivable against short shipment	(150,000)	-
	41,884	70,393

11.1 This represents amount receivable from International Industries Limited - Employees' Contributory Provident Fund, a related party.

11.2 This represents receivable in respect of short receipt of Prime Hot Rolled Coil (HRC) during the year. The management is pursuing various actions for recovery of the amount.

12. CASH AND BANK BALANCES

Note	2023	2022
	(Rupees in '000)	
Cash at bank		
Conventional		
Current accounts - local currency	292	2
- foreign currency	148,289	70,339
Savings accounts - local currency	50,135	42,600
	198,716	112,941
Islamic		
Savings accounts - local currency	11,521	-
	210,237	112,941
Cash in hand	2,234	639
	212,471	113,580

- 12.1 At June 30, 2023, the rates of mark up / profit on savings accounts range from 14.75% to 20.50% (2022: from 12.25% to 12.50%) per annum.

13. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
<u>200,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs. 10 each	<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital				
2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
6,769,725	6,769,725	Fully paid ordinary shares of Rs.10 each issued for cash	67,697	67,697
125,112,155	125,112,155	Fully paid ordinary shares of Rs.10 each issued as bonus shares	1,251,122	1,251,122
<u>131,881,880</u>	<u>131,881,880</u>		<u>1,318,819</u>	<u>1,318,819</u>

- 13.1 Pakistan Cables Limited, an associated company, due to shareholding and common directorship, held 792,000 (2022: 633,600) ordinary shares of Rs. 10 each at the year end.

14. GENERAL RESERVE

General reserve is maintained for fulfilling various business needs including meeting contingencies, offsetting future losses, enhancing the working capital and paying dividends.

15. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	(Rupees in '000)	
Freehold land		
Balance at beginning of the year	564,908	559,464
Surplus on revaluation of freehold land	-	5,444
Balance at end of the year	564,908	564,908
Leasehold land		
Balance at beginning of the year	3,505,620	1,957,018
Surplus on revaluation of leasehold land	-	1,548,602
Balance at end of the year	3,505,620	3,505,620

	Note	2023	2022
		(Rupees in '000)	
Buildings			
Balance at beginning of the year		1,356,913	707,950
Surplus on revaluation of buildings		-	717,632
Disposal of buildings		-	(5,222)
Transferred to retained earnings (un-appropriated profit) in respect of incremental depreciation charged during the year		(134,268)	(63,447)
		1,222,645	1,356,913
Related deferred tax liability	15.2	(384,846)	(317,186)
Balance at end of the year - net of deferred tax		837,799	1,039,727
		4,908,327	5,110,255

15.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

15.2 Movement in related deferred tax liability

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		317,186	163,933
Deferred tax for the year		-	167,750
Effect of change in Normal Tax Regime ratio		113,354	1,555
Tax effect on disposal of buildings		-	(1,222)
Tax effect on incremental depreciation transferred to retained earnings		(45,694)	(14,830)
Balance at end of the year		384,846	317,186

16. LONG-TERM FINANCING - secured

Conventional

Long-Term Finance Facility (LTFF)	16.2	486,800	570,667
Long-Term Finance		677,178	1,186,364
Payroll Refinance Scheme	16.3	-	194,993
		1,163,978	1,952,024

Islamic

Diminishing Musharakah		3,079,545	181,819
Islamic Long-Term Finance Facility (ILTFF)	16.4	99,190	114,048
Islamic Temporary Economic Refinance Facility (ITERF)	16.5	240,285	240,281
Islamic Finance Facility for Renewable Energy (IFRE)	16.6	80,000	-
		3,499,020	536,148
		4,662,998	2,488,172

	Note	2023	2022
		(Rupees in '000)	
Less: Deferred income - government grant	17	(49,959)	(62,779)
Less: Current portion of long-term financing			
Conventional			
Long-Term Finance Facility (LTFF)		(98,390)	(87,273)
Long-Term Finance		(395,455)	(645,455)
Payroll Refinance Scheme		-	(194,993)
		(493,845)	(927,721)
Islamic			
Diminishing Musharakah		(79,545)	(136,364)
Islamic Long-Term Finance Facility (ILTFF)		(14,859)	(14,859)
Islamic Temporary Economic Refinance Facility (ITERF)		(12,577)	-
Islamic Finance Facility for Renewable Energy (IFRE)		(8,000)	-
		(608,826)	(1,078,944)
		4,004,213	1,346,449

16.1 Long-term finances utilised under mark-up arrangements

	Sale price (Rupees in '000)	Purchase price (Rupees in '000)	Number of instalments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount 2023 2022 (Rupees in '000)
CONVENTIONAL						
i) LTFF						
MCB Bank Limited Assistance for plant and machinery	550,000	906,963	34 quarterly Oct 29, 2016	Mar 28, 2025 to Nov 20, 2027	3.7% / 5.2% (fixed rate)	152,541 218,494
MCB Bank Limited Assistance for plant and machinery	100,000	149,976	34 quarterly Aug 31, 2019	Aug 31, 2027	3.5% (fixed rate)	51,520 66,497
MCB Bank Limited Assistance for plant and machinery	100,000	147,862	34 quarterly Mar 30, 2020	Jun 30, 2028	3.5% (fixed rate)	57,210 60,827
Allied Bank Limited Assistance for plant and machinery	500,000	578,167	16 half yearly Dec 30, 2023	Jun 15, 2032	2.5% (fixed rate)	225,529 486,800
ii) Payroll Refinance Scheme						
Habib Metropolitan Bank Limited Payroll finance facility	550,000	660,000	8 quarterly Mar 31, 2021	Mar 31, 2023	0.75% (fixed rate)	- 194,993
iii) Long-term finance						
MCB Bank Limited Refinancing of capital expenditure / balancing, modernization and replacement (BMR)	800,000	1,164,316	11 half yearly Jun 30, 2020	Dec 28, 2024	0.1% over 6 months KIBOR	363,637 436,364
Allied Bank of Pakistan Limited Refinancing of capital expenditure	1,000,000	1,494,500	4 half yearly Jun 29, 2022	Dec 29, 2023	0.1% over 6 months KIBOR	250,000 750,000
Allied Bank of Pakistan Limited Assistance for plant and machinery					0.1% over 6 months KIBOR	63,541 -
						677,178 1,186,364
						1,163,978 1,952,024

		Sale price (Rupees in '000)	Purchase price (Rupees in '000)	Number of instalments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount 2023	2022
ISLAMIC								
i) Diminishing Musharakah								
	Meezan Bank Limited Acquisition of Musharakah assets	500,000	950,361	5 half yearly & 12 quarterly Jun 30, 2018	June 30, 2023	0.1% over 3 months KIBOR	22,727	90,910
	Meezan Bank Limited Acquisition of Musharakah assets	250,000	279,978	3 half yearly & 16 quarterly Jun 30, 2019	June 30, 2024	0.1% over 3 months KIBOR	56,818	90,909
	Meezan Bank Limited Acquisition of Musharakah assets	1,688,000	3,022,245	20 quarterly Jun 29, 2025	Dec 29, 2029	0.1% over 3 months KIBOR	1,688,000	-
	Meezan Bank Limited Acquisition of Musharakah assets	1,312,000	2,349,043	20 quarterly Jun 29, 2025	Dec 29, 2029	0.1% over 3 months KIBOR	1,312,000	-
							3,079,545	181,819
ii) ILTF								
	Habib Bank Limited Acquisition of Musharakah assets	150,000	187,500	16 half yearly Feb 22, 2022	May 31, 2030	2.5% (fixed rate)	99,190	114,048
iii) ITERF								
	Habib Bank Limited Assistance for plant and machinery	131,000	163,750	32 quarterly Jun 28, 2023	April 9, 2031 to June 18, 2031	2% (fixed rate)	115,285	115,281
	Bank Islami Pakistan Limited Assistance for plant and machinery	125,000	156,250	32 quarterly July 25, 2023	May 6, 2031 June 17, 2031	2% (fixed rate)	125,000	125,000
							240,285	240,281
iv) IFRE								
	Bank Islami Pakistan Limited Assistance for Solar Project	80,000	101,347	32 half yearly Jul 25, 2023	Dec 31, 2032	6.0% (fixed rate)	80,000	-
							3,499,020	536,148
							4,662,998	2,488,172

16.1.1 These facilities are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX - 15 & 16, HX-7/4 and LX-2 Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi.

16.1.2 In relation to above borrowings the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

16.2 This represents finance facility loan obtained from various banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for plant and machinery in respect of export-oriented projects.

16.3 This represents long-term loans obtained by the Company for financing its salaries and wages under SBP's Payroll Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.

- 16.4** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Long Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 16.5** This represents long-term loans obtained by the Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.
- 16.6** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.
- 16.7** During the year, mark-up paid on conventional and Islamic long term finance amounts to Rs. 152.54 million (2022: Rs. 163.8 million) and Rs. 159.79 million (2022: Rs. 28.8 million) respectively.

17. DEFERRED INCOME - GOVERNMENT GRANT	Note	2023	2022
(Rupees in '000)			
Balance at beginning of the year		62,779	51,565
Deferred grant recorded:			
- under Islamic Temporary Economic Refinance Facility	17.1	-	39,695
- under Payroll Refinance Scheme	17.1	-	-
		-	39,695
Government grant recognised in income	32	(12,820)	(28,481)
Balance at end of the year		49,959	62,779
Less: current portion of deferred income			
- government grant	21	(9,998)	(12,820)
		39,961	49,959

- 17.1** This represents deferred grant recognised in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' in respect of SBP's Refinance Scheme for Payment of Wages and Salaries and the Islamic Temporary Economic Refinance Facility obtained at concessionary rates. The Company has fulfilled the criteria of the said loans and have accordingly recognised the grant income in the Unconsolidated Statement of Profit or Loss.

18. GAS INFRASTRUCTURE DEVELOPMENT CESS

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	326,078	318,187
Unwinding of Gas Infrastructure Development Cess (GIDC)	22,186	22,028
Gain on remeasurement of GIDC	(6,566)	(14,137)
	341,698	326,078
Less: Current portion of GIDC	(299,073)	(204,058)
Balance at end of the year	42,625	122,020

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

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

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

19. STAFF RETIREMENT BENEFITS

19.1 Defined contribution plan

Staff Provident Fund

All investments in collective investment schemes, listed equity and listed debt securities out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

19.2 Defined benefit scheme

Staff Gratuity Fund

19.2.1 As stated in note 3.9, the Company operates approved funded defined benefit gratuity plan for all permanent employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

19.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints trustees from among its employees.

19.2.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Regular Income Certificates, Defence Savings Certificates and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

19.2.4 Funding

The gratuity plan is fully funded by the Company. The funding requirements are based on the Gratuity Fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

19.2.5 The actuarial valuation of gratuity was carried out at June 30, 2023 under projected unit credit method using the following significant assumptions:

	2023	2022
	per annum	
Financial Assumptions		
Discount Rate	16.25%	13.25%
Salary increase rate		
First year - Unionized staff	16.25%	13.25%
First year - Management	16.25%	13.25%
Long term	16.25%	13.25%

	2023	2022
	per annum	
Demographic Assumptions		
Mortality rate	SLIC 2001-05-1	SLIC 2001-05-1
Rates of employee turnover	Heavy	Heavy
Retirement assumption	Age 60 years	Age 60 years

19.2.6 The amounts recognised in Unconsolidated Statement of Financial Position are as follows:

	Note	2023	2022
		(Rupees in '000)	
Present value of defined benefit obligation	19.2.9	683,539	646,535
Fair value of plan assets	19.2.10	(518,019)	(490,990)
Deficit as at June 30		<u>165,520</u>	<u>155,545</u>

19.2.7 Movements in the net defined benefit liability

Balance at beginning of the year		155,545	115,338
Expense chargeable to Unconsolidated Statement of Profit or Loss	19.2.8	57,686 (49,000)	47,823 (61,915)
Re-measurements recognised in other comprehensive income during the year	19.2.8.1	1,289	54,299
Balance at end of the year		<u>165,520</u>	<u>155,545</u>

19.2.8 Amount recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to Unconsolidated Statement of Profit or Loss and Unconsolidated Statement of Comprehensive Income:

	2023	2022
	(Rupees in '000)	
Component of defined benefit costs recognized in profit or loss		
Service cost		
Current service cost	37,468	36,720
Interest cost on defined benefit obligation	82,416	56,884
Return on plan assets	(62,198)	(45,781)
	<u>20,218</u>	<u>11,103</u>
	<u>57,686</u>	<u>47,823</u>

	2023	2022
	(Rupees in '000)	
Component of defined benefit costs (re-measurement) recognised in other comprehensive income		
Actuarial (gain) / loss on obligation	(27,552)	29,438
Actuarial loss on plan assets	28,841	24,861
Total re-measurements recognised in other comprehensive income	1,289	54,299
Total defined benefit cost recognised in profit or loss and other comprehensive income	58,975	102,122

19.2.8.1 Analysis of remeasurements recognised in other comprehensive income

	2023	2022
	(Rupees in '000)	
Re-measurements: Actuarial loss on obligation		
Loss due to change in financial assumptions	6,600	6,145
(Gain) / loss due to change in experience adjustments	(34,152)	23,293
Total actuarial loss on obligation	(27,552)	29,438
Re-measurements: Actuarial loss on plan assets		
Actual return on plan assets	(32,286)	(20,920)
Interest income on plan assets	62,197	45,781
Opening difference	(1,070)	-
Total actuarial loss on plan assets	28,841	24,861
	1,289	54,299

19.2.9 Movements in the present value of defined benefit obligation

	2023	2022
	(Rupees in '000)	
Present value of defined benefit obligation at beginning of the year	646,535	578,407
Current service cost	37,468	36,720
Interest cost	82,416	56,884
Benefits paid	(55,328)	(54,914)
Re-measurements: Actuarial (gain) / loss on obligation	(27,552)	29,438
Present value of defined benefit obligation	683,539	646,535

19.2.10 Movements in the fair value of plan assets

	2023	2022
	(Rupees in '000)	
Fair value of plan assets at beginning of the year	490,990	463,069
Interest income on plan assets	62,198	45,781
Contribution to the fund	49,000	61,915
Benefits paid	(55,328)	(54,914)
Re-measurements: Actuarial loss on plan assets	(28,841)	(24,861)
Fair value of plan assets	518,019	490,990

19.2.11 Analysis of present value of defined benefit obligation

Vested / non-vested		
Vested benefits	677,438	645,486
Non-vested benefits	6,101	1,049
	683,539	646,535
Type of benefits earned to date		
Accumulated benefit obligation	286,122	311,388
Amounts attributed to future salary increases	397,417	335,147
	683,539	646,535

19.2.12 Disaggregation of fair value of plan assets

Cash and cash equivalents (after adjusting current liabilities)	34,685	12,336
Equity instruments - listed	111,191	93,428
Debt instruments		
Pakistan Investment Bonds	110,984	108,630
Market Treasury Bills	24,229	6,167
Defence Saving Certificates	236,930	209,466
Regular Income Certificates	-	60,963
	518,019	490,990

19.2.13 The Company ensure asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

19.2.14 Maturity profile of the defined benefit obligation

	2023	2022
	Years	Years
Weighted average duration of the defined benefit obligation	6.79	6.81

	2023	2022
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	78,686	88,091
Two years	100,947	83,313
Three years	93,771	87,917
Four years	125,060	86,881
Five years	119,303	109,642
Six years to ten years	720,473	535,867

19.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2023	2022
	(Rupees in '000)	
Discount rate + 1%	639,845	605,168
Discount rate - 1%	733,113	693,662
Long term salary increases + 1%	735,104	695,384
Long term salary increases - 1%	637,394	602,978

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

19.2.16 The expense in relation to gratuity benefit for the year ending June 30, 2024 is expected to be Rs. 72.00 million which is also the expected contribution.

20. DEFERRED TAXATION - NET

	Accelerated tax depreciation	Surplus on revaluation of buildings	Provision for infrastructure cess	Loss allowance on trade debts	Provision for compensated absences	Staff retirement benefits	Gas Infrastructure Development Cess	Minimum Tax - note 20.3	Tax loss - note 20.3	Total
Balance at July 1, 2022	(287,120)	(317,186)	205,009	29,669	1,169	36,359	(7,705)	-	147,136	(192,669)
Credit / (charge) to profit or loss for the year	(120,143)	45,694	137,436	36,831	872	2,756	2,203	152,504	-	258,153
Credit / (charge) to other comprehensive income for the year	-	(113,354)	-	-	-	13,403	-	-	-	(99,951)
Balance at June 30, 2023	(407,263)	(384,846)	342,445	66,500	2,041	52,518	(5,502)	152,504	147,136	(34,467)
Balance at July 1, 2021	(269,389)	(163,933)	153,751	21,735	1,563	26,708	(9,460)	369,866	147,136	277,977
Credit / (charge) to profit or loss for the year	(17,731)	16,052	51,258	7,934	(394)	(3,294)	1,755	(319,486)	-	(263,906)
Credit / (charge) to other comprehensive income for the year	-	(169,305)	-	-	-	12,945	-	-	-	(156,360)
Adjustment of minimum tax - note 24	-	-	-	-	-	-	-	(50,380)	-	(50,380)
Balance at June 30, 2022	(287,120)	(317,186)	205,009	29,669	1,169	36,359	(7,705)	-	147,136	(192,669)

- 20.1** The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the Unconsolidated Statement of Financial Position.
- 20.2** Deferred tax assets and liabilities are restricted to 81.36% (2022: 70.84%) of the total deferred tax assets and liabilities except tax loss based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.
- 20.3** The deferred tax asset on tax loss will be recoverable based on the estimated future taxable income and approved business plans and budgets.
- 20.4** Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

21. TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Trade creditors		454,575	262,733
Bills payable		1,381,901	1,810,739
Accrued expenses	21.1	1,150,764	1,335,198
Provision for Infrastructure Cess	21.2	1,079,268	877,022
Short-term compensated absences		6,434	5,000
Workers' Profit Participation Fund	21.3	5	9,980
Workers' Welfare Fund	21.4	138,390	122,645
Current portion of deferred income			
- government grant		9,998	12,820
Others		1,954	4,316
		4,223,289	4,440,453

- 21.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 299.07 million (2022: Rs. 204.06 million) and a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 125.49 million (2022: Rs. 116.55 million).

21.2 Provision for Infrastructure Cess

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	877,022	663,983
Charge for the year	202,246	213,039
Balance at end of the year	1,079,268	877,022

21.2.1 This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,027 million (2022: Rs. 992 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on the basis of prudence. Subsequently through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh infrastructure cess. The Company had obtained a stay against this and the ultimate dispute had been linked with the previous infrastructure cess case.

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

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

21.3 Workers' Profit Participation Fund	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		9,980	7,065
Interest on funds utilized in the Company's business - 75.00% (2022: 75.00%)	30	1,509	987
		11,489	8,052
Expense for the year		56,005	74,980
		67,494	83,032
Payments made during the year		(67,489)	(73,052)
Balance at end of the year		<u>5</u>	<u>9,980</u>

21.4 Workers' Welfare Fund			
Balance at beginning of the year		122,645	127,957
Charge for the period		10,433	36,130
Adjustment / payment		5,312	(41,442)
Balance at end of the year		<u>138,390</u>	<u>122,645</u>

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

22. CONTRACT LIABILITIES

22.1 During the year, the Company recognised revenue amounting to Rs. 231.37 million (2022: Rs. 122.8 million) out of the contract liabilities balance outstanding at beginning of the year.

23. SHORT-TERM BORROWINGS - secured

	Note	2023	2022
(Rupees in '000)			
Conventional			
Running finance under mark-up arrangement from banks	23.1	1,283,363	3,348,023
Short-term borrowing under Money Market Scheme maturing within three months	23.1	2,326,191	1,320,000
Short-term borrowing under Export Refinance Scheme	23.2	2,301,000	2,104,000
Short-term borrowing under Export Finance Scheme	23.3	207,463	-
Islamic			
Short-term borrowing under Money Market Scheme maturing within three months		925,000	-
Short-term borrowing under Running Musharakah	23.4	102,325	5,865,297
Short-term borrowing under Export Refinance Scheme		200,000	-
		7,345,342	12,637,320

23.1 These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from 21.18% to 22.63% (2022: 10.88% to 14.81%) per annum.

23.2 The Company has obtained short-term finance under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 12.50% to 18.00% (2022: 2.50%) per annum. These facilities mature within six months and are renewable.

23.3 The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 2.00% to 2.50% (2022: Nil) per annum. These facilities mature within six months.

23.4 The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 21.41% to 22.38% (2022: 11.95% to 14.51%) per annum.

23.5 As at June 30, 2023, the unavailed facilities from the above borrowings amounted to Rs. 12,224 million (2022: Rs. 5,601 million).

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

24. TAXATION - NET

Note	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	1,015,977	447,376
Tax payments / adjustments made during the year	(981,730)	(618,418)
Adjustment of minimum tax	20 -	(50,380)
	34,247	(221,422)
Less: Provision for income tax	868,325	1,237,399
Balance at end of the year	902,572	1,015,977

24.1 Under the Finance Act, 2022, the Federal Government inserted section 4C to the Income Tax Ordinance, 2001 which imposed a super tax on persons earning more than Rs. 150 million at varying rates. The Company, along with the other companies, filed a petition in SHC on October 22, 2022 against the chargeability of Super Tax for the tax year 2022 and accordingly submitted a bank guarantee amount to Rs. 398.75 million in the Nazir of SHC. On December 22, 2022, the SHC decided that the Super Tax shall be applicable from FY 2023 instead of FY 2022 at a rate of a maximum 4%. In an appeal by FBR against this order, the Supreme Court passed an interim order to encash the bank guarantees by 4% till the case is finally decided. Consequently, the bank guarantee was reduced to Rs.239.25 million.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

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

Description of factual basis of the proceeding and relief sought	Name of court	Principal parties	Date instituted
<p>25.1.2 The Company filed the suit before SHC challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On October 21, 2016 Court granted stay against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which Company is not a party, Supreme Court of Pakistan (SCP) issued an order on February 21, 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the SCP in which Company is not a party and the decision is awaited. In view of such developments, the suit was withdrawn and a petition was filed before the SHC, which is pending hearing. Application for release of pledged shares is in process.</p> <p>On a separate application challenging the chargeability of tax on inter corporate dividend, stay is granted by the SHC in respect of dividends declared by the subsidiary company on June 2, 2017, September 26, 2017, January 23, 2018, September 29, 2021, January 31, 2022 and August 18, 2022 against bank guarantees amounting to Rs. 76.6 million, Rs. 36.8 million, Rs. 55.1 million, Rs. 257.3 million, Rs. 73.5 million and Rs. 165.4 million respectively submitted to the Nazir of the Court.</p>	Sindh High Court	FBR / Commissioner Inland Revenue / Federation of Pakistan	November 1, 2016
<p>25.1.3 As per section 95 of the Custom Act read with Customs Rules, 2001, the Company sold zinc wastages generated from imports under manufacturing bond at 0% duty for export during 2012-13, 2013-14 and 2014-15. All these sales were subject to sales tax payments in term of Custom Rules.</p> <p>However, on August 31, 2020, the Collector of Customs (Adjudication - II) has passed ONO no. 473, 474 and 475 against the Company and ordered for recovery of customs duty amounting to Rs. 402.72 million on zinc wastages.</p>	Sindh High Court	Collector of Customs	October 10, 2020

Description of factual basis of the proceeding and relief sought	Name of court	Principal parties	Date instituted
<p>The Company filed appeals against these orders in the Customs Tribunal. However, due to non-functioning of Tribunal and considering the importance, Company preferred to file an appeal with the SHC. SHC granted stay order against the order of the Collector of Customs and issued notices for the hearing.</p> <p>During the year, the SHC vide its order dated October 12, 2021 has disposed off the case with directions to the Appellate Tribunal to decide the pending appeal within sixty days. The SHC further directed that the respondents shall not take any coercive action against the Company in respect of the impugned demand till the conclusion of the appeal. The case was decided against IIL by the Custom Appellate Tribunal. Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the SHC. The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.</p>			

25.2 Commitments

- 25.2.1** Capital expenditure commitments outstanding as at June 30, 2023 amounted to Rs. 183.42 million (2022: Rs. 48.65 million).
- 25.2.2** Commitments under Letters of Credit for raw materials and stores and spares as at June 30, 2023 amounted to Rs. 769.56 million (2022: Rs. 802.2 million).
- 25.2.3** Commitments under purchase contracts as at June 30, 2023 amounted to Rs. 832.2 million (2022: Rs. 685.8 million).
- 25.2.4** The facilities for opening letters of credit and guarantees from banks as at June 30, 2023 amounted to Rs. 14,800 million (2022: Rs. 12,700 million) and Rs. 3,050 million (2022: Rs. 3,050 million) respectively, of which the unutilised balance at year-end amounted to Rs. 13,847 million (2022: Rs. 11,851 million) and Rs. 77 million (2022: Rs. 955 million) respectively.

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	(Rupees in '000)	
Sale of goods less returns		
Local	27,455,431	33,774,824
Sales tax	(3,913,351)	(4,772,111)
Trade discounts	(1,789,945)	(2,241,307)
	21,752,135	26,761,406
Export	5,218,603	11,136,274
Export commission & discounts	(183,968)	(39,817)
	5,034,635	11,096,457
	26,786,770	37,857,863

26.1 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	Note	2023	2022
		(Rupees in '000)	
Primary geographical markets:			
Local		21,752,134	26,761,406
Australia		2,061,323	4,316,766
Americas		1,256,577	3,654,069
Europe		908,441	2,252,198
Asia		808,295	854,472
Africa		-	18,952
		26,786,770	37,857,863
Major Product Lines:			
Steel products		23,308,877	35,207,248
Polymer products		3,477,893	2,650,615
		26,786,770	37,857,863

27. COST OF SALES

Raw material consumed		2,834,857	4,893,900
Opening stock of raw material		24,634,569	28,911,355
Purchases		27,469,426	33,805,255
Closing stock of raw material	8	(6,768,397)	(2,834,857)
		20,701,029	30,970,398

	Note	2023	2022
(Rupees in '000)			
Manufacturing overheads			
Salaries, wages and benefits	27.1	1,122,016	1,180,553
Depreciation and amortisation	4.1.1 & 5.1.2	542,744	465,446
Electricity, gas and water		439,530	443,785
Operational supplies and consumables		163,878	144,319
Provision for receivable against short shipment	11.2	150,000	-
Repairs and maintenance		118,686	136,208
Security and janitorial		52,382	38,290
Vehicle, travel and conveyance		48,868	33,972
Internal material handling		43,171	41,969
Postage, telephone and stationery		26,001	12,762
Toll manufacturing		14,249	-
Insurance		12,787	10,915
Sundries		10,773	8,275
Rent, rates and taxes		5,083	4,335
Environment controlling expense		538	438
		2,750,706	2,521,267
		23,451,735	33,491,665
Work-in-process			
Opening stock		1,539,000	1,444,729
Closing stock	8	(1,164,330)	(1,539,000)
		374,670	(94,271)
		23,826,405	33,397,394
Cost of goods manufactured			
Finished goods, by-products and scrap:			
Opening stock		4,170,921	3,962,794
Closing stock	8	(4,632,396)	(4,170,921)
		(461,475)	(208,127)
		23,364,930	33,189,267

27.1 These include Rs. 16.41 million (2022: Rs. 15.78 million) in respect of contribution to the Provident Fund, Rs. 38.61 million (2022: Rs. 33.71 million) in respect of the Gratuity Fund and Rs. 14.54 million (2022: Rs. 10.85 million) in respect of compensated absences.

28. SELLING AND DISTRIBUTION EXPENSES

	Note	2023	2022
(Rupees in '000)			
Freight and forwarding		1,097,588	2,271,509
Salaries, wages and benefits	28.1	181,955	190,264
Advertising and sales promotion		40,577	60,760
Vehicle, travel and conveyance		40,447	28,122
Depreciation and amortisation	4.1.1 & 5.1.2	17,610	15,928
Postage, telephone and stationery		6,946	4,642

	2023	2022
	(Rupees in '000)	
Electricity, gas and water	4,277	2,738
Rent, rates and taxes	3,061	1,987
Certification and registration charges	2,414	4,561
Repairs and maintenance	1,041	996
Insurance	358	359
Office supplies	22	57
Others	7,432	5,673
	1,403,728	2,587,596

28.1 These include Rs. 4.65 million (2022: Rs. 4.97 million) in respect of contribution to the Provident Fund, Rs. 6.91 million (2022: Rs. 6.14 million) in respect of the Gratuity Fund and Rs. 1.51 million (2022: Rs. 2.71 million) in respect of compensated absences.

29. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and benefits	29.1	251,220	208,422
Depreciation and amortisation	4.1.1 & 5.1.2	17,253	12,614
Vehicle, travel and conveyance		15,409	13,927
Legal and professional charges		14,544	51,644
Postage, telephone and stationery		13,145	9,990
Certification and registration charges		9,000	12,691
Entertainment		3,457	11,836
Repairs and maintenance		2,494	2,146
Electricity, gas and water		2,448	3,524
Insurance		2,034	1,245
Office supplies		1,314	666
Rent, rates and taxes		123	202
Others		20,006	16,772
		352,447	345,679

29.1 These include Rs. 6.42 million (2022: Rs. 6.51 million) in respect of contribution to the Provident Fund, Rs. 10.69 million (2022: Rs. 7.91 million) in respect of the Gratuity Fund and Rs. 3.47 million (2022: Rs. 0.48 million) in respect of compensated absences.

30. FINANCE COST

	2023	2022
	(Rupees in '000)	
Conventional:		
- Interest on long-term financing	196,001	186,750
- Interest on short-term borrowings	1,128,705	802,706
	1,324,706	989,456

	Note	2023	2022
		(Rupees in '000)	
Islamic:			
- Mark-up on long-term financing		322,813	39,071
- Mark-up on short-term borrowings		87,084	112,402
		409,897	151,473
Exchange gain on borrowings		(49,223)	-
Interest on Workers' Profit Participation Fund	21.3	1,509	987
Unwinding of Gas Infrastructure Development Cess		22,186	22,028
Bank charges		22,806	17,927
		1,731,881	1,181,871

31. OTHER OPERATING CHARGES

Auditors' remuneration	31.1	5,015	4,090
Donations	31.2	15,825	7,500
Workers' Profit Participation Fund		56,005	74,980
Workers' Welfare Fund		10,433	36,130
Business development expense		301	1,668
		87,579	124,368

31.1 Auditors' remuneration

Audit services			
Audit fee		2,400	1,982
Half yearly review		559	466
Out of pocket expenses		857	789
		3,816	3,237
Non-audit services			
Certifications for regulatory purposes		1,199	853
		5,015	4,090

31.2 Donations

31.2.1 Donation to Amir Sultan Chinoy Foundation amounts to Rs. 13.55 million (2022: Rs. 5.70 million) which is higher of 10% of total amount of donations made or Rs. 1 million.

32. OTHER INCOME

	Note	2023	2022
(Rupees in '000)			
Income from financial assets			
Exchange gain		1,133,131	889,124
Government grant		12,820	28,481
Income on bank deposits - conventional		8,930	1,424
Income from non-financial assets			
Dividend income from subsidiary company	32.1	1,837,917	2,205,500
Dividend income from associated company	32.1	39,601	63,971
Gain on disposal of property, plant and equipment		37,845	42,790
Rental income from subsidiary company	32.2	18,586	11,787
(loss) / income from power generation	32.3	(10,603)	63
Gain on remeasurement of Gas Infrastructure Development Cess		6,566	14,137
Insurance claims		-	2,348
Others		4,068	1,325
		3,088,861	3,260,950

32.1 This represents dividend income from International Steels Limited and Pakistan Cables Limited.

32.2 This represents rental income from International Steels Limited, and minimum lease payments receivable on lease are as follows:

	Note	2023	2022
(Rupees in '000)			
Within one year		12,763	12,671
Between one and five years		13,721	28,265
		26,484	40,937

32.3 (Loss) / income from power generation

Revenue		135,514	117,475
Cost of electricity produced:			
Salaries, wages and benefits	32.3.1	(8,650)	(7,354)
Electricity, gas and water		(113,499)	(93,471)
Insurance		(147)	(82)
Depreciation	4.1.1	(19,887)	(12,297)
Operational supplies and consumables		(1,842)	(2,292)
Repairs and maintenance		(2,092)	(1,916)
		(146,117)	(117,412)
(Loss) / income from power generation		(10,603)	63

32.3.1 These include Rs. 0.18 million (2022: Rs. 0.26 million) in respect of contribution to provident fund, Rs. 1.91 million (2022: Rs. 0.07 million) in respect of gratuity fund and Rs. 0.44 million (2022: 0.18 million) in respect of compensated absences.

32.3.2 The Company has 4MW electricity power generation facility at its premises generating electricity in excess of its requirements which is supplied to K-Electric Limited under an agreement.

33. INCOME TAX EXPENSE

Note	2023	2022
	(Rupees in '000)	
Current	(853,846)	(1,237,399)
Prior	(14,479)	-
Deferred	258,153	(263,906)
	(610,172)	(1,501,305)

33.1 This includes super tax of Rs. 247.23 million (2022: 398.75 million) as imposed by the Finance Act 2022.

33.2 Relationship between income tax expense and accounting profit

	2023	2022	2023	2022
	Effective tax rate (%)		(Rupees in '000)	
Profit before income tax			2,883,108	3,656,973
Tax at the enacted tax rate	(29.00%)	(29.00%)	(836,101)	(1,060,522)
Tax effect of:				
Income subject to final tax regime	7.02%	(1.27%)	202,530	(46,407)
Super tax	(8.57%)	(10.90%)	(247,012)	(398,750)
Income taxed as separate block of income	9.12%	8.69%	262,852	317,726
Write off of minimum tax	0.00%	(8.74%)	-	(319,486)
Permanent differences	0.02%	(0.03%)	571	(1,253)
Prior year tax	(0.50%)	0.00%	(14,479)	-
Change in Normal Tax Regime ratio	0.74%	0.20%	21,467	7,387
	(21.17%)	(41.05%)	(610,172)	(1,501,305)

34. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2023	2022
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		2,272,936	2,155,668
		(Numbers)	
Weighted average number of ordinary shares outstanding during the year	13	131,881,880	131,881,880
		(Rupees)	
Earnings per share - basic and diluted		17.23	16.35

34.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2023 and 2022.

35. CASH GENERATED FROM / (USED IN) FROM OPERATIONS

	Note	2023	2022
		(Rupees in '000)	
Profit before income tax		2,883,108	3,656,973
Adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment	4.1.1	596,097	505,344
Amortisation of intangible assets	5.1.2	1,397	941
Charge of loss allowance on trade debts	9.3	51,958	33,059
Provision for staff retirement benefits	19.2.8	57,686	47,823
Provision for compensated absences		19,944	14,224
Income on bank deposits	32	(8,930)	(1,424)
Gain on disposal of property, plant and equipment	32	(37,845)	(42,790)
Gain on remeasurement of Gas Infrastructure Development Cess		(6,566)	(14,137)
Unwinding of Gas Infrastructure Development Cess		22,186	22,028
Dividend income		(1,877,518)	(2,269,471)
Government grant income		(12,820)	(28,481)
Finance cost	30	1,709,695	1,159,843
		3,398,392	3,083,932
Changes in working capital	35.1	2,608,863	(3,831,332)
		6,007,255	(747,400)

35.1 CHANGES IN WORKING CAPITAL

Note

	2023	2022
	(Rupees in '000)	
Decrease / (increase) in current assets:		
Stores and spares	34,406	(55,555)
Stock-in-trade	(528,014)	(1,654,270)
Trade debts	3,477,667	(3,586,619)
Advances, trade deposits and prepayments	(38,405)	24,175
Other receivables	28,509	(43,419)
Sales tax receivable	(637,874)	153,943
	2,336,289	(5,161,745)
Increase / (decrease) in current liabilities:		
Trade and other payables	(310,791)	1,267,815
Contract liabilities	583,365	62,598
	2,608,863	(3,831,332)

36. CASH AND CASH EQUIVALENTS

		2023	2022
Cash and bank balances	12	212,471	113,580
Running finance under mark-up arrangement from banks	23	(1,283,363)	(3,348,023)
Short-term borrowing under Money Market scheme maturing within three months	23	(3,251,191)	(1,320,000)
Short-term borrowing under Running Musharakah maturing within three months	23	(102,325)	(5,865,297)
		(4,424,408)	(10,419,740)

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	----- (Rupees in '000) -----					
Managerial Remuneration	24,584	22,909	-	-	220,729	193,283
Bonus	8,195	7,636	-	-	73,576	64,427
Variable performance pay	9,275	5,250	-	-	56,159	41,181
Retirement benefits	5,204	1,908	-	-	15,936	16,666
Rent, utilities allowance etc.	17,316	23,343	-	-	110,364	96,641
Ex Gratia	-	-	-	-	1,612	2,181
Directors' fee	-	-	9,225	8,550	-	-
	64,574	61,046	9,225	8,550	478,376	414,379
Number of persons	1	1	9	9	62	60

- 37.1** The Chief Executive, Directors and certain executives are provided with free use of Company maintained vehicles and Chief Executive is provided with security in accordance with the Company's policy.
- 37.2** Fees paid to 9 (2022: 9) non-executive directors were Rs. 9.2 million (2022: Rs. 8.6 million) on account of meetings attended by them.
- 37.3** Reimbursement of chairman expense was Rs. 1.7 million (2022: Rs. 5.6 million).

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

38.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2023	2022
		(Rupees in '000)	
Long-term deposits		1,806	1,653
Trade debts - net of provision	9	5,270,752	8,800,377
Trade deposits	10	2,927	3,594
Other receivables	11	41,884	70,393
Bank balances	12	210,237	112,941
		5,527,606	8,988,958

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Long-term deposits

These represent long-term deposits with various parties for the purpose of securing supplies of raw materials and services. The Company does not foresee any credit exposure there against as the amounts are paid to counterparties as per agreements and are refundable on termination of the agreements with respective counterparties.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the Company for several years. The Company establishes an allowance for impairment that represents its estimate of incurred losses.

Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Other receivables

This includes receivable from K-Electric Limited (KE) amounting to Rs. 5.68 million (2022: Rs. 27.54 million) on account of electricity provided to it under an agreement from the 4 MW power plant located at the factory site. The Company does not expect to incur credit loss against these receivables.

Analysis of gross amounts receivable from local and foreign trade debtors and from KE are as follows:

	2023	2022
	(Rupees in '000)	
Domestic	2,507,432	3,096,165
Export	2,947,879	5,858,678
	5,455,311	8,954,843

38.1.2 Impairment losses

The ageing of trade debtors and receivable from KE as per above at the reporting date was as follows:

	2022		2021	
	Gross	Impairment	Gross	Impairment
----- (Rupees in '000) -----				
0-30 Days	3,774,258	2,942	7,362,027	5,143
31-60 Days	244,690	271	859,643	868
61-90 Days	133,043	468	386,782	942
91-120 Days	42,922	458	167,721	1,758
121-150 Days	150,454	1,098	12,524	280
151-180 Days	42,286	1,647	15,102	1,202
181-210 Days	377,093	4,501	16,104	1,391
211-240 Days	414,747	20,374	14,363	1,715
241-270 Days	129,917	2,682	8,082	3,001
271-300 Days	1,393	614	3,118	1,965
301-330 Days	761	482	8,016	7,624
331-360 Days	4,668	4,137	26,319	25,992
Over 1 year	139,079	139,206	75,042	75,042
	5,455,311	178,880	8,954,843	126,923

Management believes that the unimpaired balances that are past dues are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating agency	Rating	
		Short Term	Long Term
Habib Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
Bank AL Habib Limited	PACRA	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+

Bank	Rating agency	Rating	
		Short Term	Long Term
Allied Bank Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Samba Bank Limited	VIS	A-1	AA
Soneri Bank Limited	PACRA	A-1+	AA-
Industrial & Commercial Bank of China	Moody's	P-1*	A-2
Bank Islami Pakistan Limited	PACRA	A-1	AA-
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+

38.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

		2023				
		Contractual cashflows				
	Carrying amount	Six months or less	Six to twelve months	Two to five years	More than five years	Total
----- (Rupees in '000) -----						
Non-derivative financial liabilities						
Long-term financing	4,613,039	(908,380)	(511,210)	(4,582,493)	(1,408,894)	(7,410,977)
Trade and other payables	2,989,194	(2,989,194)	-	-	-	(2,989,194)
Accrued mark-up	368,739	(368,739)	-	-	-	(368,739)
Short-term borrowings	7,345,342	(7,345,342)	-	-	-	(7,345,342)
Unclaimed dividend	46,149	(46,149)	-	-	-	(46,149)
	15,362,463	(11,657,804)	(511,210)	(4,582,493)	(1,408,894)	(18,160,401)

		2022				
		Contractual cashflows				
	Carrying amount	Six months or less	Six to twelve months	Two to five years	More than five years	Total
----- (Rupees in '000) -----						
Non-derivative financial liabilities						
Long-term financing	2,425,393	(689,542)	(591,719)	(1,239,424)	(320,770)	(2,841,455)
Trade and other payables	3,412,986	(3,412,986)	-	-	-	(3,412,986)
Accrued mark-up	280,027	(280,027)	-	-	-	(280,027)
Short-term borrowings	12,637,320	(12,637,320)	-	-	-	(12,637,320)
Unclaimed dividend	39,996	(39,996)	-	-	-	(39,996)
	18,795,722	(17,059,871)	(591,719)	(1,239,424)	(320,770)	(19,211,784)

38.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up have been disclosed in respective notes to these unconsolidated financial statements.

38.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

38.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

38.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, borrowings, accrued mark-up and trade creditors that are denominated in a currency other than the respective functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2023					
	Rupees	US Dollars	Australian Dollars	Euro	Canadian Dollars	Yuan
	----- (Rupees in '000) -----					
Financial assets						
Bank Balance	148,289	518	-	-	-	-
Trade debts	2,947,879	797	6,180	-	7,672	-
Financial liabilities						
Trade and other payables	(1,381,901)	(4,702)	-	(71)	-	(286)
Net exposure	1,714,267	(3,387)	6,180	(71)	7,672	(286)

	2022					
	Rupees	US Dollars	Australian Dollars	Euro	Canadian Dollars	Yuan
	----- (Rupees in '000) -----					
Financial assets						
Bank Balance	70,339	345	-	-	-	-
Trade debts	5,858,678	3,036	17,788	-	17,289	-
Financial liabilities						
Trade and other payables	(1,810,739)	(8,813)	-	(36)	-	-
Net exposure	4,118,278	(5,432)	17,788	(36)	17,289	-

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	2023	2022
	Buying/Selling	Buying/Selling
US Dollars (USD) to Pakistan Rupee	286.18 / 286.60	204.17 / 204.59
Australian Dollars (AUD) to Pakistan Rupee	192.21 / 192.49	140.66 / 140.93
Euro to Pakistan Rupee	312.84 / 313.29	213.59 / 214.03
Canadian Dollars (CAD) to Pakistan Rupee	218.11 / 218.41	158.29 / 158.60
Yuan to Pakistan Rupee	39.68 / 39.73	30.51 / 30.57

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD, AUD, Euro, CAD and Yuan at June 30 would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for both the years.

As at 30 June	Effect on Unconsolidated Statement of Profit or Loss	
	2023	2022
	(Rupees in '000)	
Effect in USD	(64,133)	73,475
Effect in AUD	78,434	165,211
Effect in Euro	1,469	509
Effect in CAD	110,491	180,703
Effect in Yuan	750	-

38.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Note	2023	2022
		(Rupees in '000)	
Fixed rate instruments			
Financial liabilities	16 & 23	3,357,316	3,161,210
Variable rate instruments			
Financial liabilities	16 & 23	8,601,064	11,901,503

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and the profit after tax by Rs. 46.45 million (2022: Rs. 76.17 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the Unconsolidated Statement of Profit or Loss.

38.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2023			
	Short-term borrowings	Long-term financing	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2022	12,905,461	2,437,283	5,465,105	20,807,849
Changes from financing cash flows				
Repayment of long-term loan	-	(969,396)	-	(969,396)
Proceeds from long-term loan	-	3,144,225	-	3,144,225
Dividend paid	-	-	(1,510,488)	(1,510,488)
Total changes from financing activities	-	2,174,829	(1,510,488)	664,341
Other changes				
Interest expense	1,215,789	518,814	-	1,734,603
Interest paid	(1,320,767)	(312,325)	-	(1,633,092)
Deferred government grant recognised	-	-	-	-
Changes in short-term borrowings	(5,291,978)	-	-	(5,291,978)
Total loan related other changes	(5,396,956)	206,489	-	(5,190,467)
Equity related other changes	-	-	2,367,471	2,367,471
Balance as at June 30, 2023	7,508,505	4,818,601	6,322,088	18,649,194

	2022			Total
	Short-term borrowings	Long-term financing	Unappropriated profit	
----- (Rupees in '000) -----				
Balance as at July 1, 2021	10,227,781	2,968,546	4,419,169	17,615,496
Changes from financing cash flows				
Repayment of long-term loan	-	(883,894)	-	(883,894)
Proceeds from long-term loan	-	359,171	-	359,171
Dividend paid	-	-	(1,116,889)	(1,116,889)
Total changes from financing activities	-	(524,723)	(1,116,889)	(1,641,612)
Other changes				
Interest expense	915,108	225,821	-	1,140,929
Interest paid	(693,257)	(192,666)	-	(885,923)
Deferred government grant recognised	-	(39,695)	-	(39,695)
Changes in short-term borrowings	2,455,829	-	-	2,455,829
Total loan related other changes	2,677,680	(6,540)	-	2,671,140
Equity related other changes	-	-	2,162,825	2,162,825
Balance as at June 30, 2022	12,905,461	2,437,283	5,465,105	20,807,849

38.5 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk as its investments are measured at cost.

38.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the Unconsolidated Statement of Financial Position approximate their fair values.

38.7 Financial instruments by categories

	Note	2023	2022
		(Rupees in '000)	
Financial assets			
Held at amortised cost			
- Long-term deposits		1,806	1,653
- Trade debts	9	5,270,752	8,800,377
- Trade deposits	10	2,927	3,594
- Other receivables	11	41,884	70,393
- Cash and bank balances	12	212,471	113,580
		5,529,840	8,989,597

	Note	2023	2022
(Rupees in '000)			
Financial liabilities			
Held at amortised cost			
- Long-term financing	16	4,613,039	2,425,393
- Trade and other payables	21	2,989,194	3,412,986
- Accrued mark-up		368,739	280,027
- Short-term borrowings	23	7,345,342	12,637,320
- Unclaimed dividend		46,149	39,996
		15,362,463	18,795,722

39. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

40. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) with sufficient regularity and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided upon by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Company measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 3.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Company's Land and Buildings measured at fair value:

Assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
- Land and Buildings	June 30, 2022	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair values are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

Management assessed that the fair values of cash and cash equivalents, other receivable, trade deposits, trade debts, short-term borrowings, trade and other payables, accrued mark-up and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates. Fair values of investment in quoted subsidiary and associate are disclosed in note 6 to these unconsolidated financial statements.

41. TRANSACTIONS WITH RELATED PARTIES

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

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

41.1 Transactions with related parties

	2023	2022
	(Rupees in '000)	
Subsidiary companies		
Sales	3,561,548	8,134,354
Sales of fixed assets	-	3,350
Purchases	7,397,166	8,936,182
Purchases of fixed assets	50,068	2,350
Cost of shared resources	101,467	67,304
Rental income	18,587	11,787
Dividend received	1,837,917	2,205,500
Reimbursement of expenses	19,735	8,764
Associated companies		
Sales	72,503	8,223
Purchases	11,863	11,852
Insurance premium	3,207	24,609
Insurance claim	207	1,318
Dividend paid	7,286	9,234
Dividend received	39,601	63,971
Registration and training	230	2,523
Subscription	2,500	2,000
Reimbursement of expenses	9,929	1,354

	2023	2022
	(Rupees in '000)	
Key management personnel		
Remuneration	317,320	371,932
Non-executive directors		
Directors' fee	9,225	8,550
Reimbursement of Chairman's expenses	1,650	5,617
Staff retirement funds		
Contributions paid	123,937	149,312

41.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year.

Name of the related party	Relationship and percentage of shareholding
International Steels Limited	Subsidiary company - 56.33% (2021:56.33%) shareholding
IIL Australia Pty. Limited	Wholly owned subsidiary company
IIL Americas Inc.	Wholly owned subsidiary company
IIL Construction Solutions (Private) Limited.	Wholly owned subsidiary company
Pakistan Cables Limited	Associated company - 17.12% (2021:17.12%) shareholding
Jubilee Life Insurance Company Limited*	Associated company by virtue of common directorship
Cherat Cement Company Limited	Associated company by virtue of common directorship
Lucky Core Industries Limited (ICI Pakistan)	Associated company by virtue of common directorship
The Pakistan Business Council	Associated company by virtue of common directorship
Lahore University of Management Sciences	Associated company by virtue of common directorship

* During the year, Jubilee Life Insurance Company Limited ceased to be a related party.

41.3 Outstanding balances with related parties have been separately disclosed in trade debts, prepayments and trade and other payables. These are settled in ordinary course of business.

42. ANNUAL PRODUCTION CAPACITY

	2023	2022
	(Metric Tonnes)	
Name-plate production capacity at the year end was as follows:		
Steel pipe	585,000	585,000
Galvanizing	90,000	90,000
Cold rolled steel strip	50,000	50,000
Polymer pipes and fittings	35,000	35,000
Stainless steel - pipe	4,800	4,800
The actual production for the year was:		
Steel pipe	78,079	144,539
Galvanizing	29,373	64,230
Polymer pipes and fittings	7,071	7,582
Stainless steel - pipe	1,147	1,867

Actual production during the year was sufficient to meet the market demand.

The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix was different.

43. SEGMENT REPORTING

Performance is measured based on respective segment results. Information regarding the Company's reportable segments specified in note 3.17 are presented below.

43.1 Segment revenue and results

	2023			
	Steel segment	Polymer segment	Investment segment	Total
----- (Rupees in '000) -----				
For the year ended June 30, 2023				
Revenue from contract with customers				
Local	18,274,242	3,477,893	-	21,752,135
Exports	5,034,635	-	-	5,034,635
	23,308,877	3,477,893	-	26,786,770
Cost of sales	(20,530,991)	(2,833,939)	-	(23,364,930)
Gross profit	2,777,886	643,954	-	3,421,840
Selling and distribution expenses	(1,294,615)	(109,113)	-	(1,403,728)
Administrative expenses	(325,662)	(26,785)	-	(352,447)
Reversal / (Charge) of loss allowance on trade debts	(58,701)	6,743	-	(51,958)
Operating profit	(1,678,978)	(129,155)	-	(1,808,133)
Finance cost	(1,507,020)	(224,861)	-	(1,731,881)
Other operating charges	(67,282)	(20,297)	-	(87,579)
	(1,574,302)	(245,158)	-	(1,819,460)
Other income	1,211,343	-	1,877,518	3,088,861
Profit before income tax	735,949	269,641	1,877,518	2,883,108
Income tax expense				(610,172)
Profit after tax for the year				2,272,936

	2022			
	Steel segment	Polymer segment	Investment segment	Total
	----- (Rupees in '000) -----			
For the year ended June 30, 2022				
Revenue from contract with customers				
Local	24,110,791	2,650,615	-	26,761,406
Exports	11,096,457	-	-	11,096,457
	35,207,248	2,650,615	-	37,857,863
Cost of sales	(30,759,103)	(2,430,164)	-	(33,189,267)
Gross profit	4,448,145	220,451	-	4,668,596
Selling and distribution expenses	(2,494,712)	(92,884)	-	(2,587,596)
Administrative expenses	(330,483)	(15,196)	-	(345,679)
Reversal / (Charge) of loss allowance on trade debts	4,692	(37,751)	-	(33,059)
Operating profit	(2,820,503)	(145,831)	-	(2,966,334)
Finance cost	(1,099,122)	(82,749)	-	(1,181,871)
Other operating charges	(124,368)	-	-	(124,368)
	(1,223,490)	(82,749)	-	(1,306,239)
Other income	991,479	-	2,269,471	3,260,950
Profit before income tax	1,395,631	(8,129)	2,269,471	3,656,973
Income tax expense				(1,501,305)
Profit after tax for the year				2,155,668

43.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investment segment	Total
----- (Rupees in '000) -----				
As at June 30, 2023				
Segment assets	26,606,654	2,260,191	3,372,515	32,239,360
Segment liabilities	14,163,534	975,375	-	15,138,909
As at June 30, 2022				
Segment assets	29,223,455	2,755,839	3,372,515	35,351,809
Segment liabilities	16,669,182	1,151,798	-	17,820,980

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

	2023	2022
(Rupees in '000)		
Total for reportable segments assets	32,239,360	35,351,809
Unallocated assets	1,716,967	943,754
Total assets as per Unconsolidated Statement of Financial Position	33,956,327	36,295,563
Total for reportable segments liabilities	15,138,909	17,820,980
Unallocated liabilities	3,568,148	3,880,368
Total liabilities as per Unconsolidated Statement of Financial Position	18,707,057	21,701,348

43.3 Segment revenues reported above are revenues generated from external customers. There were no inter-segment sales during the year.

43.4 Segment assets reported above comprise of property, plant and equipment, stock-in-trade and trade debts. Segment assets and liabilities are measured in the same way as in the unconsolidated financial statements. These assets are identified based on the operations of the segment and remaining assets and liabilities are presented as unallocated assets and liabilities.

43.5 Additions to non-current assets in relation to steel, polymer and investments segments amounts to Rs. 549.5 million (2022: Rs. 417.6 million), Rs. 2.6 million (2022: Rs. 283.4 million and Rs. NIL (2022: Rs. NIL) respectively.

43.6 Information about major customers

Revenue from major customers individually accounting for more than 10% of the segment revenue for polymer segment and steel segment was 1,134 million (2022: Rs. NIL) and Rs. NIL (2022: 4,318.4 million) respectively.

43.7 Geographical information

The Company's net revenue from external customers by geographical location is disclosed in note 26.1.

Management considers that revenue from its ordinary activities are shariah compliant.

As at June 30, 2023, all non-current assets of the Company are located in Pakistan with an exception of its investment in IIL Australia Pty. Limited which is domiciled in Victoria, Australia & IIL Americas Inc. which is domiciled in Mississauga, Canada.

44. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

Total employees of the Company at the year end

Average employees of the Company during the year

2023	2022
(Number)	
935	947
938	951

45. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company, in their meeting held on August 23, 2023 has proposed a final cash dividend of Rs. 2.00 (2022:Rs. 6.00) per share amounting to Rs. 263.76 million (2022: Rs. 791.29 million) for the year ended June 30, 2023. The approval of the members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on September 27, 2023. The unconsolidated financial statements for the year ended June 30, 2023 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2024.

46. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue on August 23, 2023 by the Board of Directors of the Company.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



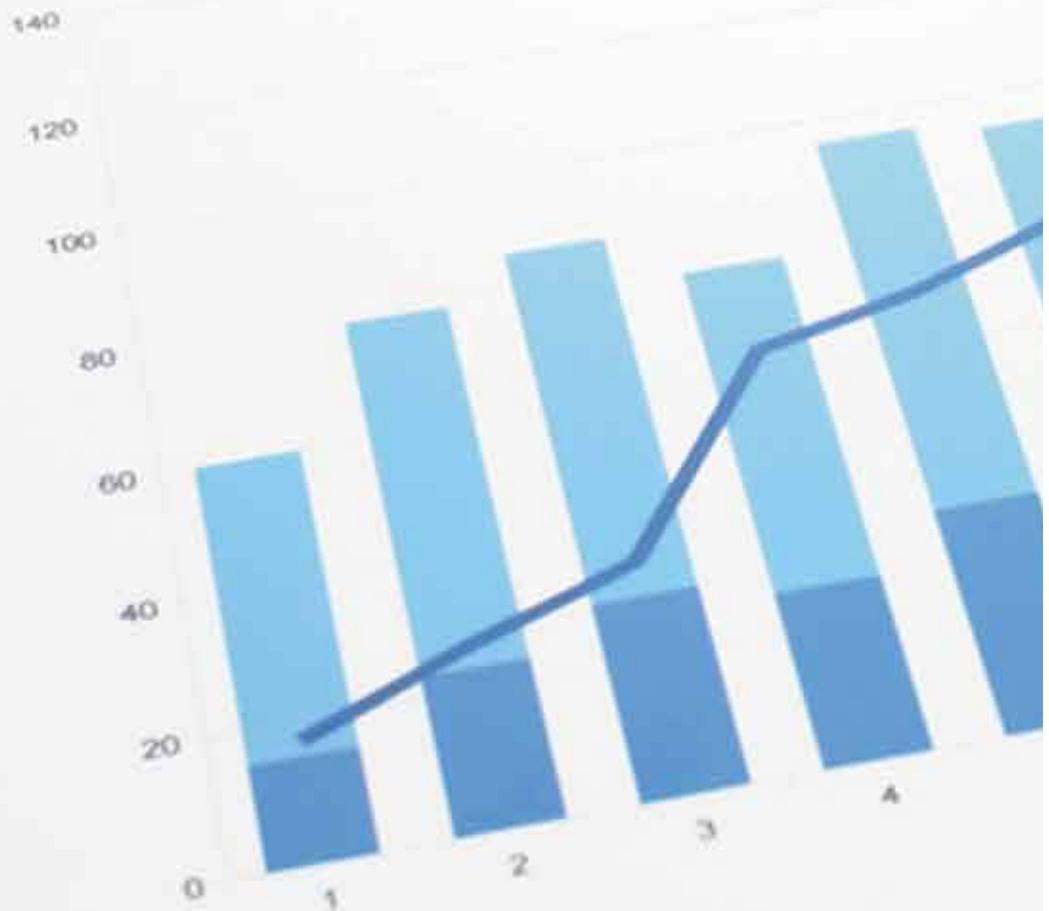
Sohail R. Bhojani
Chief Executive
Officer



FIG. 1A



FIG. 6



10,000

8,000

6,000

4,000

2,000

0

11

12



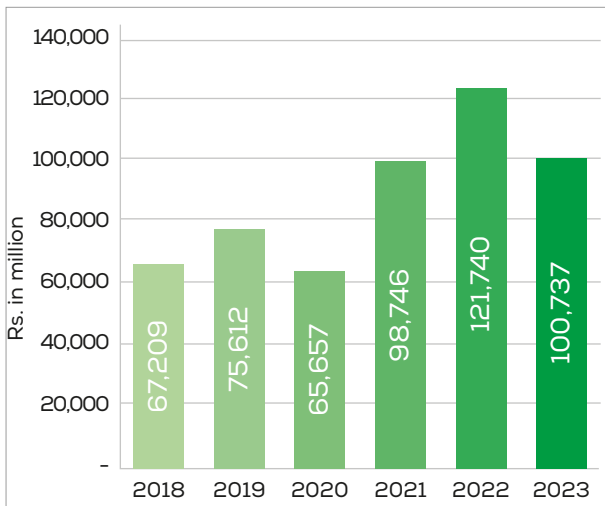
CONSOLIDATED FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	2023	2022	Change %
	(Rupees in million)		
Revenue from contracts with customer	100,737	121,740	(17.3%)
Gross Profit	15,304	16,376	(6.5%)
Property, Plant & Equipment	30,232	30,771	(1.8%)
Shareholders' equity	25,859	24,023	7.6%
Non - controlling interest	9,407	9,377	0.3%

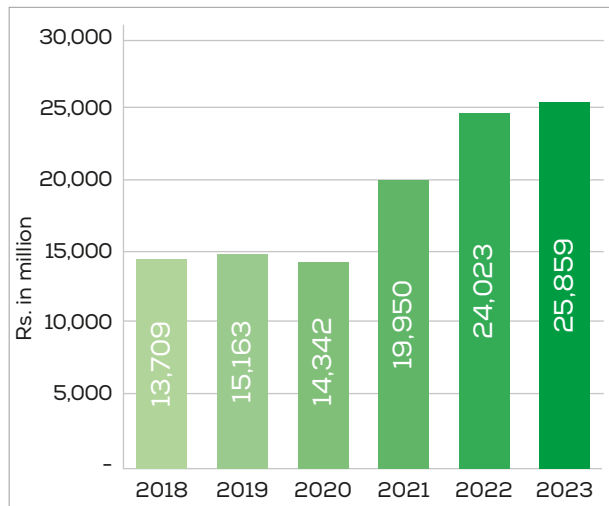
BUSINESS GROWTH

Revenue from Contracts with Customer

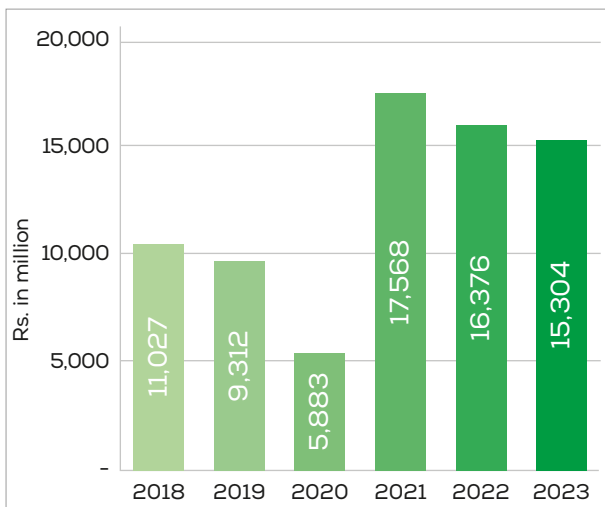


SHAREHOLDER VALUE ACCRETION

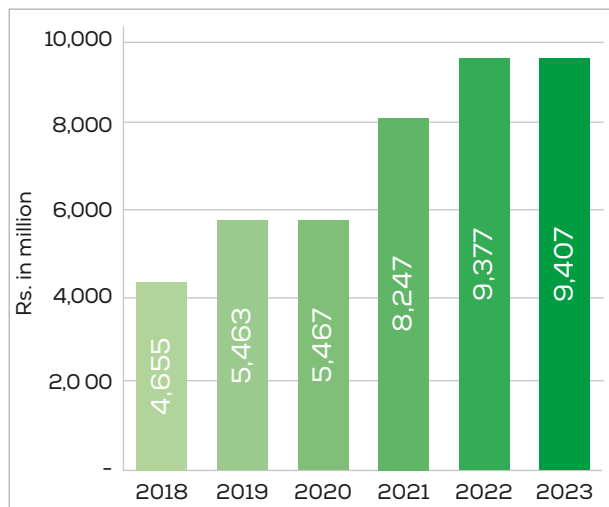
Shareholders' Equity



Gross Profit



Non - Controlling Interest



ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

	2023	2022	2021	2020	2019	2018
	----- (Rupees in million) -----					
Property, plant and equipment	30,232	30,771	26,706	27,720	27,224	24,032
Investments	1,855	1,239	1,132	1,095	1,015	1,004
Other non-current assets	339	213	14	21	10	74
Current assets	42,946	57,036	40,288	35,138	34,440	30,391
Total assets	<u>75,372</u>	<u>89,260</u>	<u>68,140</u>	<u>63,973</u>	<u>62,688</u>	<u>55,501</u>
Shareholders' equity	25,859	24,023	19,950	14,342	15,163	13,709
Non-controlling interest	9,407	9,377	8,247	5,467	5,463	4,655
Non-current liabilities	7,742	6,649	8,614	8,520	10,779	10,833
Current portion of long-term financing	986	2,498	2,351	1,898	1,201	1,383
Short-term borrowings	11,042	29,997	16,978	20,915	19,616	16,772
Other Current liabilities	20,336	16,716	12,000	12,831	10,466	8,149
Total equity & liabilities	<u>75,372</u>	<u>89,260</u>	<u>68,140</u>	<u>63,973</u>	<u>62,688</u>	<u>55,501</u>

Vertical Analysis

	Percentage					
Property, plant and equipment	40.1	34.5	39.2	43.3	43.4	43.3
Investments	2.5	1.4	1.7	1.7	1.6	1.8
Other non-current assets	0.4	0.2	0.02	0.03	0.02	0.1
Current assets	57.0	63.9	59.1	54.9	54.9	54.8
Total assets	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Shareholders' equity	34.3	26.9	29.3	22.4	24.2	24.7
Non-controlling interest	12.5	10.5	12.1	8.5	8.7	8.4
Non-current liabilities	10.3	7.4	12.6	13.3	17.2	19.5
Current portion of long-term financing	1.3	2.8	3.5	3.0	1.9	2.5
Short-term borrowings	14.6	33.6	24.9	32.7	31.3	30.2
Other Current liabilities	27.0	18.7	17.6	20.1	16.7	14.7
Total equity & liabilities	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Horizontal Analysis

	Percentage					
Property, plant and equipment	(1.8)	15.2	(3.7)	1.8	13.3	27.7
Investments	49.8	9.4	3.4	7.9	1.1	235.3
Other non-current assets	58.7	1419.4	(32.2)	113.3	(86.9)	4.0
Current assets	(24.7)	41.6	14.7	2.0	13.3	30.1
Total assets	<u>(15.6)</u>	<u>31.0</u>	<u>6.5</u>	<u>2.0</u>	<u>13.0</u>	<u>30.4</u>
Shareholders' equity	7.6	20.4	39.1	(5.4)	10.6	26.8
Non-controlling interest	0.3	13.7	50.9	0.1	17.3	40.8
Non-current liabilities	16.4	(22.8)	1.1	(21.0)	(0.5)	63.9
Current portion of long-term financing	(60.5)	6.3	23.8	58.1	(13.1)	5.8
Short-term borrowings	(63.2)	76.7	(18.8)	6.6	17.0	53.3
Other Current liabilities	21.7	39.3	(6.5)	22.6	28.4	(15.0)
Total equity & liabilities	<u>(15.6)</u>	<u>31.0</u>	<u>6.5</u>	<u>2.0</u>	<u>13.0</u>	<u>30.4</u>

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit & Loss

	2023	2022	2021	2020	2019	2018
	----- (Rupees in million) -----					
Net Sales	100,737	121,740	98,746	65,657	75,612	67,209
Cost of Sales	(85,433)	(105,364)	(81,178)	(59,773)	(66,300)	(56,183)
Gross Profit	15,304	16,376	17,568	5,883	9,312	11,027
Administrative, Selling and Distribution expenses	(3,500)	(5,226)	(3,273)	(2,281)	(2,464)	(2,394)
Other operating expenses	(530)	(817)	(1,466)	(366)	(632)	(834)
Share of profit in equity accounted investee	107	166	34	(7)	50	35
Other operating (losses)/income - net	(122)	575	493	208	618	338
Profit before financing cost	11,258	11,074	13,355	3,439	6,884	8,172
Finance cost	(4,024)	(2,504)	(1,567)	(3,547)	(2,214)	(981)
Profit/(loss) before Taxation	7,234	8,569	11,788	(109)	4,670	7,191
Taxation	(2,625)	(3,835)	(3,071)	(211)	(1,381)	(1,922)
Profit/(loss) after Taxation	4,609	4,734	8,717	(320)	3,289	5,268

Vertical Analysis

	Percentage					
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Sales	(84.8)	(86.5)	(82.2)	(91.0)	(87.7)	(83.6)
Gross Profit	15.2	13.5	17.8	9.0	12.3	16.4
Administrative, Selling and Distribution expenses	(3.5)	(4.3)	(3.3)	(3.5)	(3.3)	(3.6)
Other operating expenses	(0.5)	(0.7)	(1.5)	(0.6)	(0.8)	(1.2)
Share of profit in equity accounted investee	0.1	0.1	0.0	(0.0)	0.1	0.1
Other operating (losses)/income - net	(0.1)	0.5	0.5	0.3	0.8	0.5
Profit before financing cost	11.2	9.1	13.5	5.2	9.1	12.2
Finance cost	(4.0)	(2.1)	(1.6)	(5.4)	(2.9)	(1.5)
Profit/(loss) before Taxation	7.2	7.0	11.9	(0.2)	6.2	10.7
Taxation	(2.6)	(3.2)	(3.1)	(0.3)	(1.8)	(2.9)
Profit/(loss) after Taxation	4.6	3.9	8.8	(0.5)	4.3	7.8

Horizontal Analysis

	Percentage					
Net Sales	(17.3)	23.3	50.4	(13.2)	12.5	45.9
Cost of Sales	(18.9)	29.8	35.8	(9.8)	18.0	52.2
Gross Profit	(6.5)	(6.8)	198.6	(36.8)	(15.5)	20.6
Administrative, Selling and Distribution expenses	(33.0)	59.7	43.5	(7.4)	2.9	19.9
Other operating expenses	(35.1)	(44.3)	300.8	(42.1)	(24.2)	37.9
Share of profit in equity accounted investee	(35.5)	385.9	624.2	(113.0)	41.7	(1.5)
Other operating (losses)/income - net	(121.2)	16.6	136.4	(66.3)	82.8	91.7
Profit before financing cost	1.7	(17.1)	288.4	(50.0)	(15.8)	21.0
Finance cost	60.7	59.8	(55.8)	60.3	125.7	44.3
Profit/(loss) before Taxation	(15.6)	(27.3)	10,924.7	(102.3)	(35.1)	18.4
Taxation	(31.5)	24.9	1,352.1	(84.7)	(28.2)	(4.4)
Profit/(loss) after Taxation	(2.7)	(45.7)	2,821.0	(109.7)	(37.6)	29.6

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

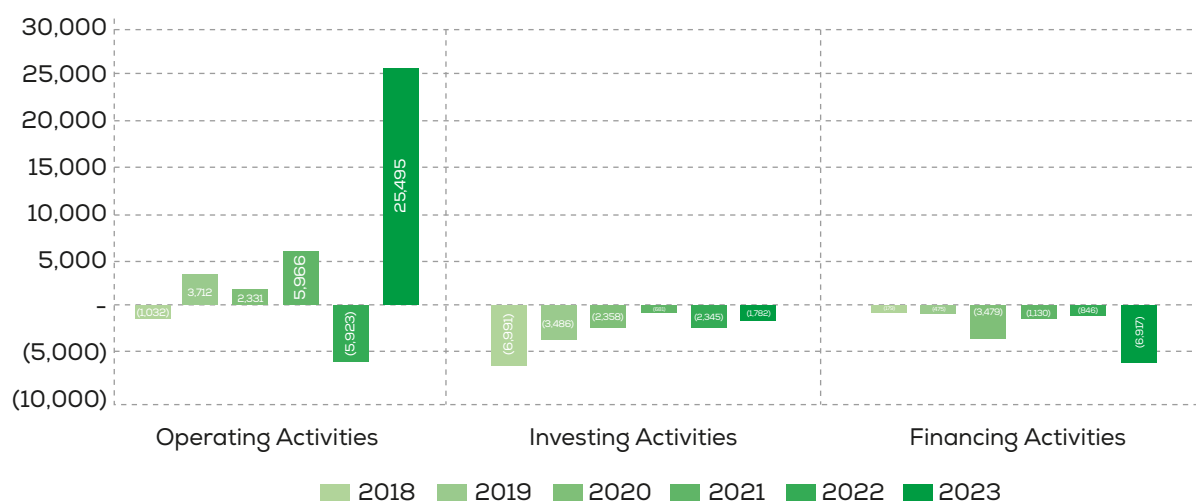
	2023	2022	2021	2020	2019	2018
	(Rupees in million)					
Net cash generated from/(used in) operating activities	25,495	(5,923)	5,966	2,331	3,712	(1,032)
Net cash (outflows)/inflows from investing activities	(1,782)	(2,345)	(681)	(2,358)	(3,486)	(6,991)
Net cash (outflows)/inflows from financing activities	(6,917)	(846)	(1,130)	(3,479)	(475)	(179)
Net increase/(decrease) in cash and cash equivalents	<u>16,795</u>	<u>(9,113)</u>	<u>4,155</u>	<u>(3,506)</u>	<u>(250)</u>	<u>(8,202)</u>

Vertical Analysis

	Percentage					
Net cash generated from/(used in) operating activities	151.8	(65.0)	143.6	66.5	1,486.6	(12.6)
Net cash (outflows)/inflows from investing activities	(10.6)	(25.7)	(16.4)	(67.2)	(1,396.4)	(85.2)
Net cash (outflows)/inflows from financing activities	(41.2)	(9.3)	(27.2)	(99.2)	(190.2)	(2.2)
Net increase/(decrease) in cash and cash equivalents	<u>100</u>	<u>(100)</u>	<u>100</u>	<u>(100)</u>	<u>(100)</u>	<u>(100)</u>

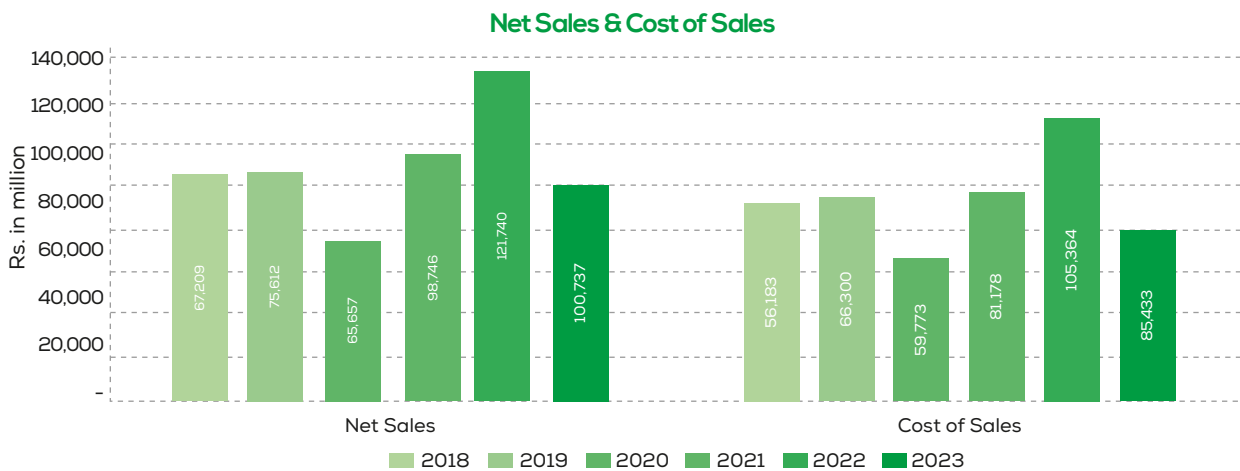
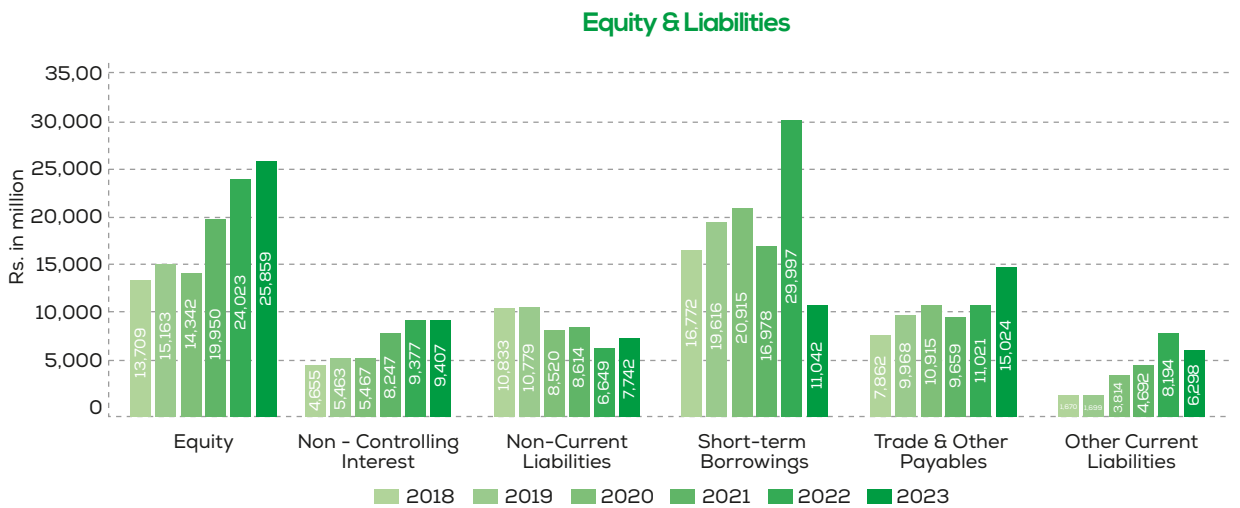
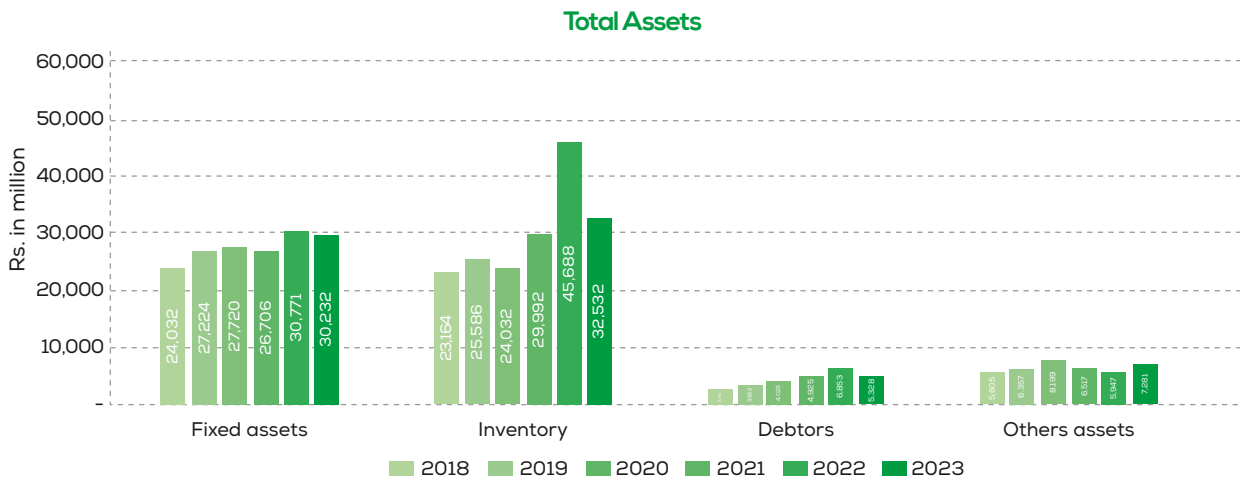
Horizontal Analysis

	Percentage					
Net cash generated from/(used in) operating activities	(530.5)	(199.3)	156.0	(37.2)	(459.6)	108.2
Net cash (outflows)/inflows from investing activities	(24.0)	244.4	(71.1)	(32.4)	(50.1)	196.7
Net cash (outflows)/inflows from financing activities	717.9	(25.2)	(67.5)	632.6	165.0	(105.2)
Net increase/(decrease) in cash and cash equivalents	<u>(284.3)</u>	<u>(319.3)</u>	<u>(218.5)</u>	<u>1,304.4</u>	<u>(97.0)</u>	<u>(1,503.8)</u>



GRAPHICAL PRESENTATION OF

Statement of Financial Position and Statement of Profit or Loss



CONSOLIDATED KEY FINANCIAL INDICATORS

2023 2022 2021 2020 2019 2018

Profitability Ratios

Gross profit ratio	%	15.19	13.45	17.79	8.96	12.32	16.4
Net profit to Sales	%	4.57	3.89	8.83	(0.49)	4.35	7.8
EBITDA Margin to Sales	%	13.44	10.76	15.60	8.18	11.15	14.0
Cost to Income Ratio	Times	0.94	1.09	0.68	2.31	1.15	0.8
Operating Leverage	%	(0.20)	(0.65)	3.71	2.75	(0.84)	0.42
Return on Equity with Surplus on revaluation of fixed assets	%	13.07	14.17	30.92	(1.62)	15.95	28.7
Return on Equity without Surplus on revaluation of fixed assets	%	16.34	17.92	36.43	(1.98)	19.34	35.1
Return on Capital Employed	%	11.44	12.62	25.64	(1.21)	11.46	19.4
Return on Total Assets	%	6.1	5.3	12.8	(0.5)	5.2	9.5
Shareholders' funds ratio	%	46.8	37.4	41.4	31.0	32.9	33.1

Liquidity Ratios

Current ratio	Times	1.33	1.16	1.29	0.99	1.10	1.16
Quick / Acid test ratio	Times	0.28	0.21	0.30	0.29	0.26	0.25
Cash to Current Liabilities	Times	(0.09)	(0.40)	(0.34)	(0.42)	(0.36)	(0.42)
Cash flow from Operations to Sales	Times	0.25	(0.05)	0.06	0.04	0.05	(0.02)

Activity / Turnover Ratios

Inventory turnover ratio	Times	2.2	2.8	3.0	2.4	2.7	2.7
Inventory turnover in days	days	167	131	121	151	134	133
Debtor turnover ratio	Times	19.4	24.0	25.8	20.4	28.7	29.8
Debtor turnover in days	days	19	15	14	18	13	12
Creditor turnover ratio	Times	15.8	40.4	17.8	12.7	20.7	14.8
Creditor turnover in days	days	23	9	21	29	18	25
Total assets turnover ratio	Times	1.3	1.4	1.4	1.0	1.2	1.2
Fixed assets turnover ratio	Times	3.3	4.0	3.7	2.4	2.8	2.8
Operating cycle in days	days	163	137	115	141	129	121
Capital employed turnover ratio	Times	2.5	3.2	2.9	2.5	2.6	2.5

Investment / Market Ratios

Earnings per share - basic and diluted	Rs.	23.36	18.38	41.38	(4.60)	18.26	28.75
Price earning ratio	Times	3.14	5.64	5.10	(19.93)	4.22	8.07
Dividend Yield ratio	%	13.65	9.64	4.74	-	8.43	3.66
Dividend Payout ratio	%	42.81	54.39	24.17	-	30.12	29.56
Dividend per share - Cash	Rs.	10.00	10.00	10.00	-	5.50	8.50
Bonus shares	%	-	-	-	-	1	-
Dividend Cover	Times	2.34	1.84	4.14	-	3.32	3.38
Market value per share at the end of the year	Rs.	73.24	103.73	211.02	92	77.07	231.98
Market value per share high during the year	Rs.	119.75	219.60	242.50	121	247.97	377.00
Market value per share low during the year	Rs.	62.40	90.50	92.10	64	71.25	203.00
Price to book ratio	(x)	0.13	0.15	0.41	0.19	0.15	0.50
Break-up value per share with revaluation of fixed assets	Rs.	195	182	151	109	126	114
Break-up value per share without revaluation of fixed assets	Rs.	142	129	119	81	96	86

Capital Structure Ratios

Financial leverage ratio	(x)	1.1	1.7	1.4	2.2	2.0	2.0
Weight avg cost of debts	%	15.0	8.1	5.7	12.2	7.9	4.5
Net assets per share	Rs	267	253	214	150	172	153
Total Debt : Equity ratio	(x)	53 : 47	63 : 37	59 : 41	69 : 31	67 : 33	67 : 33
Interest cover	Times	2.9	4.5	9.1	1.0	3.1	8.8

Value Addition

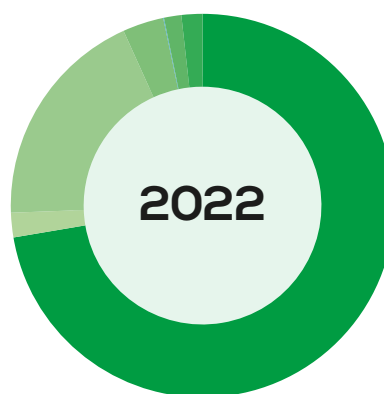
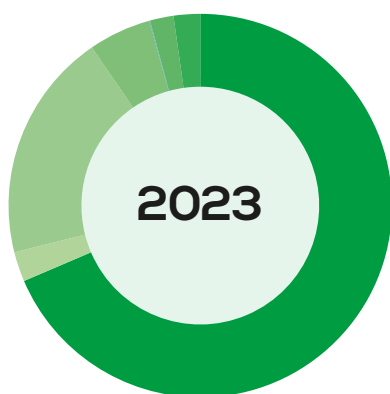
Employees as remuneration	Rs. M	2,877	2,862	2,605	2,109	2,192	2,163
Government as taxes	Rs. M	22,245	26,067	21,205	14,824	18,497	16,789
Shareholders as dividends	Rs. M	989	1,055	1,319	0	659	1,019
Retained within the business	Rs. M	3,620	3,679	7,399	(320)	2,510	4,249
Financial charges to providers of finance	Rs. M	4,024	2,504	1,567	3,547	2,214	981

Employee Productivity and others

Production per employee	Tons	239	498	601	466	625	613
Revenue per employee	Rs M	62	73	60	38	42	38
Spares inventory as % of assets cost	%	1.7%	1.3	1.3	1.4	1.3	1.1
Maintenance cost as % of operating expenses	%	2.8%	2.4	2.9	2.5	3.1	3.4

CONSOLIDATED STATEMENT OF VALUE ADDITION

	2023		2022	
	Rupees in '000	%	Rupees in '000	%
Wealth Generated				
Sales including sales tax	115,017,324	100.1%	137,813,544	99.6%
Other operating (losses)/income - net	(121,726)	(0.1%)	574,756	0.4%
	<u>114,895,598</u>	<u>100%</u>	<u>138,388,300</u>	<u>100%</u>
Wealth Distributed				
Cost of material & services	78,783,527	68.6%	100,107,490	72.3%
To Employees				
Salaries & other related cost	2,876,577	3%	2,861,601	2%
To Government				
Taxes & Duties	21,827,979	19.0%	25,354,059	18.3%
Worker Profit Participation Fund	333,337	0.3%	505,128	0.4%
Worker Welfare Fund	84,166	0.1%	208,189	0.2%
	<u>22,245,482</u>	<u>19.4%</u>	<u>26,067,376</u>	<u>18.8%</u>
To Providers of Capital				
Dividend to shareholders	2,033,809	1.8%	2,289,693	1.7%
Finance cost	4,024,436	3.5%	2,504,160	1.8%
	<u>6,058,245</u>	<u>5.3%</u>	<u>4,793,853</u>	<u>3.5%</u>
To Society				
Donation	71,485	0.1%	93,090	0.1%
Retained in Business				
For replacement of fixed assets				
Depreciation & Amortization	2,285,434	2.0%	2,020,235	1.5%
To provide for growth: Retained Profit	2,574,848	2.2%	2,444,655	1.8%
	<u>4,860,282</u>	<u>4.2%</u>	<u>4,464,890</u>	<u>3.2%</u>
	<u>114,895,598</u>	<u>100%</u>	<u>138,388,300</u>	<u>100%</u>



	2023	2022
Cost of material & services	68.6%	72.3%
To Employees	2.5%	2.1%
To Government	19.4%	18.8%
To Providers of Capital	5.3%	3.5%
To Society	0.1%	0.1%
Depreciation & Amortization	2.0%	1.5%
Retained Profit	2.2%	1.8%



INDEPENDENT AUDITOR'S REPORT

To the members of International Industries Limited

Opinion

We have audited the annexed consolidated financial statements of International Industries Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue from contracts with customers</p> <p>(Refer note 3.11 and 27 to the consolidated financial statements)</p> <p>The Group recognises revenue from the domestic and export customers when the performance obligation is satisfied by transferring control of a promised goods to the customer. During the year, net sales to the domestic and export customers have decreased significantly by 12.89% and 29.63% respectively.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group and for the year revenue has decreased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> evaluated management controls over revenue and checked their validation; performed verification of sales with underlying documentation including gate pass, delivery order and invoice; performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; verified that sales prices are negotiated and approved by appropriate authority; recalculated the commission as per Group's policy and verified related distribution expenses; obtained confirmations from debtors on sample basis; and ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 4, 2023

UDIN: AR202310073GqZbEudiz



loss on finance lease receivables
loss on commitments and guarantees given
goodwill
loss on investments in subsidiaries, joint ventures and associates
loss on other non-financial assets

17
-5
x
x
-11.7
0.0
x
-0.7

Mar	Apr	May	Jun	Jul	Aug	Sep
3 300 930	1 837 756	2 440 666	0	649 791	2 221 090	2 221 090
-200 000	0	0	0	0	0	0
2 900 930	1 837 756	2 440 666	0	649 791	2 221 090	2 221 090
217 329	262 540	310 077	15 210	15 210	916 906	3 333 332
2 123 532	1 427 456	2 290 610	920 717	920 717	1 647 023	479 204
561 587	1 114 317	762 611	522 633	522 633	394 936	2 177 261
2 902 438	2 804 021	3 383 291	1 462 580	1 462 580	2 158 065	3 309 367
-1 528	-964 265	-642 611	-818 829	-818 829	62 185	23 965
-0.05 %	-52.18 %	-18.4 %	-54.9 %	-124.02 %	1.93 %	0.72 %
7 690	1 499	0	0	0	1 246	2 901
0	0	0	0	0	0	0
0 976	6 410	1 351	7 433	0	0	2 162
0	0	0	0	0	0	0
16 666	7 954	8 784	19 161	19 161	4 663	12 896
18 194	974 219	689 316	827 950	827 950	67 522	5 000

This Period	Deviation	%	Actual	Year to Date
2 090 447	-197 831	-9.5 %	4 834 003	2 399 160
100 077	-1 250	-1.2 %	500 227	1 000 276
3 300 624	-199 081	-6.0 %	5 334 230	3 399 436
300 643	-40 500	-13.5 %	2 000 000	2 000 000
434 403	932 726	214.7 %	1 000 000	1 000 000
414 175	10 050	2.4 %	1 000 000	1 000 000
887 309	919 173	103.6 %	4 757 132	2 997 161
43 220	-1 118 353	-258.7 %	577 698	2 010 624
65	0	-68.1 %	0	0
0	0	-0.0 %	0	0
65	0	-0.4 %	0	0
1 272	0	-19.8 %	0	0

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

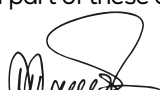
As at June 30, 2023

	Note	2023	2022
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	30,231,615	30,771,384
Right-of-use assets	5.1	22,245	31,335
Intangible assets	6	312,210	179,596
Investment in equity accounted investee	7	1,855,464	1,238,598
Long-term deposits		4,077	2,427
		32,425,611	32,223,340
CURRENT ASSETS			
Stores and spares	8	1,247,740	1,181,526
Stock-in-trade	9	32,531,505	45,688,341
Trade debts	10	5,327,874	6,853,083
Advances, trade deposits and prepayments	11	176,334	202,923
Other receivables	12	95,339	121,355
Sales tax receivable		1,156,198	1,770,317
Cash and bank balances	13	2,411,238	1,218,770
		42,946,228	57,036,315
TOTAL ASSETS		75,371,839	89,259,655
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	14	1,318,819	1,318,819
Revenue reserves			
General reserve	15	3,112,325	2,991,258
Un-appropriated profit		14,275,645	12,699,443
Exchange translation reserve		83,445	27,392
Capital reserve			
Revaluation surplus on property, plant and equipment	16	7,068,935	6,986,115
TOTAL SHAREHOLDERS' EQUITY		25,859,169	24,023,027
Non - controlling interest		9,406,738	9,376,528
		35,265,907	33,399,555
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	17	5,010,199	4,125,295
Deferred income - government grant	18	166,699	186,509
Gas Infrastructure Development Cess	19	191,619	548,541
Staff retirement benefits	20	165,521	155,545
Deferred taxation - net	21	2,192,287	1,608,476
Lease liabilities	5.2	15,839	24,429
		7,742,164	6,648,795
CURRENT LIABILITIES			
Trade and other payables	22	15,023,742	11,020,587
Contract liabilities	23	2,822,281	2,654,961
Short-term borrowings - secured	24	11,041,530	29,996,873
Unclaimed dividend		46,149	39,996
Unclaimed dividend attributable to non-controlling interest (NCI)		10,024	10,301
Current portion of long-term financing - secured	17	986,204	2,498,439
Current portion of lease liabilities	5.2	8,993	7,510
Taxation - net	25	1,840,449	2,431,598
Accrued mark-up		584,396	551,040
		32,363,768	49,211,305
TOTAL LIABILITIES		40,105,932	55,860,100
CONTINGENCIES AND COMMITMENTS			
	26		
TOTAL EQUITY AND LIABILITIES		75,371,839	89,259,655

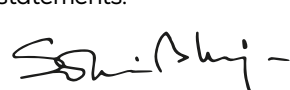
The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contracts with customers	27	100,737,162	121,740,071
Cost of sales	28	(85,433,218)	(105,364,174)
Gross profit		15,303,944	16,375,897
Selling and distribution expenses	29	(2,649,390)	(4,456,860)
Administrative expenses	30	(798,905)	(730,782)
Charge of loss allowance on trade debts	10.3	(51,910)	(38,394)
		(3,500,205)	(5,226,036)
Operating profit		11,803,739	11,149,861
Finance cost	31	(4,024,436)	(2,504,160)
Other operating charges	32	(530,337)	(816,729)
		(4,554,773)	(3,320,889)
Other (losses) / income - net	33	(121,726)	574,756
Share of profit of equity accounted investee	7	106,820	165,629
Profit before income tax		7,234,060	8,569,357
Income tax expense	34	(2,625,403)	(3,835,009)
Profit after tax for the year		4,608,657	4,734,348
Profit attributable to:			
- Owners of the Holding Company		3,080,288	2,424,585
- Non-controlling interest (NCI)		1,528,369	2,309,763
		4,608,657	4,734,348
		(Rupees)	
Earnings per share - basic and diluted	35	23.36	18.38

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

Note	2023	2022
	----- (Rupees in '000) -----	
Profit after tax for the year	4,608,657	4,734,348
Other comprehensive income		
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss		
Remeasurements of staff retirement benefits	(30,298)	(72,824)
Adjustment related to opening deferred tax balance	12,994	253
Related deferred tax for the year	8,822	18,064
	21,816	18,317
	(8,482)	(54,507)
Surplus on revaluation of land and buildings		
Freehold land	4.1.3 -	580,206
Leasehold land	4.1.3 -	1,548,602
	-	2,128,808
Buildings on freehold land	-	1,047,745
Buildings on leasehold land	-	584,887
Related deferred tax for the year	-	(433,099)
Adjustment related to opening deferred tax balance on buildings	(261,257)	(1,555)
	(261,257)	1,197,978
	(261,257)	3,326,786
Proportionate share of surplus on revaluation of land and buildings of equity accounted investee	548,169	-
Related deferred tax for the year	(137,042)	-
	411,127	-
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss		
Foreign operations - foreign currency translation difference	56,053	21,529
Proportionate share of other comprehensive (loss) / income of equity accounted investee	(761)	4,723
	196,680	3,298,531
Total comprehensive income for the year	4,805,337	8,032,879
Total comprehensive income attributable to:		
- Owners of the Holding Company	3,350,544	5,194,215
- Non-controlling interest (NCI)	1,454,793	2,838,664
	4,805,337	8,032,879

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Jehangir Shah
 Director & Chairman
 Board Audit Committee


Muhammad Akhtar
 Chief Financial
 Officer


Sohail R. Bhojani
 Chief Executive
 Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Issued, subscribed and paid up capital	Capital reserve Revaluation surplus on property, plant and equipment	Attributable to owners of the Holding Company			Total revenue reserves	Total	Non-controlling interest	Total equity
			General reserves	Un-appropriated profit	Exchange translation reserves				
(Rupees in '000)									
Balance as at July 1, 2021	1,318,819	4,267,987	2,991,258	11,365,899	5,863	14,363,020	19,949,826	8,247,364	28,197,190
- Profit after tax for the year	-	-	-	2,424,585	-	2,424,585	2,424,585	2,309,763	4,734,348
- Other comprehensive income / (loss) for the year	-	2,792,141	-	(44,040)	21,529	(22,511)	2,769,630	528,901	3,298,531
Total comprehensive income for the year	-	2,792,141	-	2,380,545	21,529	2,402,074	5,194,215	2,838,664	8,032,879
Transactions with owners recorded directly in equity:									
Distributions to owners of the Holding Company									
- Final dividend @ 65% (i.e. Rs. 6.50 per share) for the year ended June 30, 2021	-	-	-	(857,232)	-	(857,232)	(857,232)	-	(857,232)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2022	-	-	-	(263,764)	-	(263,764)	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(1,709,500)	(1,709,500)
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	(4,001)	-	4,001	-	4,001	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	(67,726)	-	67,726	-	67,726	-	-	-
Proportionate share of surplus on revaluation property, plant and equipment - PCL	-	(2,286)	-	2,268	-	2,268	(18)	-	(18)
Balance as at June 30, 2022	1,318,819	6,996,115	2,991,258	12,699,443	27,392	15,718,093	24,023,027	9,376,528	33,399,555
- Profit after tax for the year	-	-	-	3,080,288	-	3,080,288	3,080,288	1,529,389	4,609,677
- Other comprehensive income / (loss) for the year	-	214,453	-	(250)	56,053	55,803	270,256	(73,576)	196,680
Total comprehensive income for the year	-	214,453	-	3,080,038	56,053	3,136,091	3,350,544	1,454,793	4,805,337
Proportionate share of transfer to general reserves of equity accounted investee	-	-	121,067	(121,067)	-	-	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	(131,047)	-	131,047	-	131,047	-	-	-
Proportionate share of surplus on revaluation property, plant and equipment - PCL	-	(586)	-	2,825	-	2,825	2,239	-	2,239
Transactions with owners recorded directly in equity									
Distributions to owners of the Holding Company									
- Final dividend @ 60% (i.e. Rs. 6.00 per share) for the year ended June 30, 2022	-	-	-	(791,291)	-	(791,291)	(791,291)	-	(791,291)
- Interim dividend at 55% (i.e. Rs. 5.50 per share) for the year ended June 30, 2023	-	-	-	(725,350)	-	(725,350)	(725,350)	-	(725,350)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(1,424,583)	(1,424,583)
Balance as at June 30, 2023	1,318,819	7,068,935	3,112,325	14,275,645	83,445	17,471,415	25,859,169	9,406,738	35,265,907

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Jehangir Shah
 Director & Chairman
 Board Audit Committee


Muhammad Akhtar
 Chief Financial Officer


Sohail R. Bhojani
 Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in '000)			
Cash generated from / (used in) operations	36	32,408,802	(1,336,393)
Finance cost paid		(3,860,998)	(1,930,260)
Income on bank deposits received		109,117	31,252
Staff retirement benefits paid	20	(112,012)	(109,969)
Payment on account of compensated absences		(29,128)	(20,019)
Income tax paid - net	25	(3,019,326)	(2,556,797)
(Increase) / decrease in long-term deposits		(1,650)	(510)
Net cash generated from / (used in) operating activities		25,494,805	(5,922,696)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment	4	(1,827,558)	(2,803,084)
Payment for acquisition of intangible assets	6	(134,381)	(178,356)
Dividend received		39,601	63,971
Proceeds from disposal of property, plant and equipment		140,007	572,439
Net cash used in investing activities		(1,782,331)	(2,345,030)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		3,389,690	975,360
Repayment of long-term financing		(4,036,625)	(2,346,331)
Short-term borrowings - net		(3,324,185)	3,361,924
Lease liabilities		(10,713)	(11,781)
Dividends paid to non-controlling interest		(1,424,860)	(1,707,997)
Dividends paid to shareholders of the Holding Company		(1,510,488)	(1,116,889)
Net cash used in financing activities		(6,917,181)	(845,714)
Net increase / (decrease) in cash and cash equivalents		16,795,293	(9,113,440)
Cash and cash equivalents at beginning of the year		(19,741,322)	(10,667,389)
Effects of exchange rate changes in cash and cash equivalents		74,200	39,507
Cash and cash equivalents at end of the year	37	(2,871,829)	(19,741,322)

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

1. THE GROUP AND ITS OPERATIONS

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

1.2 The Holding Company was incorporated in Pakistan in 1948 and is quoted on the Pakistan Stock Exchange. It is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes and polymer pipes & fittings. The registered office of the Holding Company is situated at 101-107 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

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

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

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

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

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

The manufacturing facilities of ISL are situated as follows:

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

The sales offices of ISL are situated as follows:

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

- 1.4** IIL CSL was incorporated on August 19, 2020 under the Companies Act, 2017. It is engaged in the business of providing scaffolding and other building solutions. Its registered office is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi 75530. Its sales offices are situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi-75530 and Chinoy House, 6 Bank Square, Lahore. The manufacturing facility of IIL CSL is located at LX 15 - 16, Landhi Industrial Area, Karachi.
- 1.5** IIL Australia was incorporated in Australia on May 2, 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes, pre-galvanized pipes and sheets and coils. Its registered office and sales office is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia.
- 1.6** IIL Americas was incorporated in Canada on October 8, 2019. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. Its registered office and sales office is situated at Suite 210, 5800 Ambler Drive Mississauga, ON L4W 4J4, Canada.
- 1.7** Details of the associated company are stated in note 7 to these consolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the Holding Company's functional and presentation currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of estimates and judgements

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

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property, plant and equipment (note 3.2)
- Trade debts, advances and other receivables (note 3.5.2)
- Stores and spares (note 3.6)
- Stock-in-trade (note 3.7)
- Taxation (note 3.8)
- Staff retirement benefits (note 3.9)
- Impairment (note 3.14)
- Provisions (note 3.15)
- Contingent liabilities (note 3.16)

2.5 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for annual accounting period which began on July 1, 2022. However, these do not have any significant impact on these consolidated financial statements.

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the consolidated financial statements and, therefore, have not been disclosed in these consolidated financial statements.

2.6 Basis of consolidation

i) Subsidiaries

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

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

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

The financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

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

ii) Transactions and non-controlling interests

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies and methods of computations adopted in the preparation of these consolidated financial statements are same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended June 30, 2022.

3.1 Lease liability and Right-of-use assets

The Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Group assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group mainly leases properties for its operations. The Group recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The Group has various lease agreements for sales offices which were previously classified by the Group based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on Consolidated Statement of Financial Position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and Restoration costs.

The Group has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.2 Property, plant and equipment

3.2.1 Operating assets and depreciation

Initial Recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the group entities and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold and leasehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land are stated at revalued amounts and buildings on freehold land are stated at revalued amounts less accumulated depreciation. The value assigned to leasehold lands is not amortized as the respective leases are expected to be renewed for further periods on payment of relevant rentals. The costs of Property, plant and equipment include:

- (a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the group entities and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the Consolidated Statement of Profit or Loss account as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in note 4.1 to the consolidated financial statements and is generally recognised in the Consolidated Statement of Profit or Loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of land and building is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of land and building is recognized, net of tax, in the Consolidated Statement of Comprehensive Income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the Consolidated Statement of Comprehensive Income, in which case the increase is first recognized in the Consolidated Statement of Profit or Loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to the Consolidated Statement of Profit or Loss. The revaluation reserve is not available for distribution to the Group's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to Consolidated Statement of Profit or Loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the Consolidated Statement of Profit or Loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to unappropriated profit.

3.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the group entities and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year are recognised as an intangible asset.

Infinite Intangible

These are stated at cost less impairment, if any.

Definite Intangible

- a) These are stated at cost less accumulated amortisation and impairment, if any.
- b) Intangible assets are amortised on straight line basis over its estimated useful life(s) (refer note 6).
- c) Amortisation on additions during the year is charged from the month in which the asset is intended to be used, whereas no amortisation is charged from the month the asset is disposed-off.

3.4 Investments in associates

Investments in associates are accounted for using equity method of accounting in the consolidated financial statements in which the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in Consolidated Statement of Profit or Loss. An impairment loss is reversed if there has been a change in estimate used to determine the recoverable amount but limited to the extent of the initial cost of investments. A reversal of impairment loss is recognized in the Consolidated Statement of Profit or Loss.

3.5 Financial Instruments

Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the Consolidated Statement of Profit or Loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the Consolidated Statement of Profit or Loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Consolidated Statement of Profit or Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in consolidated statement of comprehensive income and are never reclassified to the Consolidated Statement of Profit or Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the Consolidated Statement of Profit or Loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognized in the Consolidated Statement of Profit or Loss.

3.5.1 Non-derivative Financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which group entities become party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, deposits, advances, other receivables and cash and cash equivalent. Group entities derecognise the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.5.2 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.5.3 Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash in hand, balances with banks, short-term borrowings and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short-term borrowings availed by group entities, which are repayable on demand and form an integral part of the group entities' cash management.

3.5.4 Financial Liabilities

Financial liabilities are initially recognised on trade date i.e. date on which an group entities become party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up and trade and other payables. Group entities derecognise the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.5.5 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.5.6 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

3.5.7 Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group entities have received consideration. If a customer pays consideration before the Group entities transfer goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group entities perform under the contract.

3.5.8 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the Consolidated Statement of Financial Position at estimated fair value with corresponding effect to the Consolidated Statement of Profit or Loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.5.9 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in the Consolidated Statement of Comprehensive Income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the Consolidated Statement of Profit or Loss. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.5.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when group entities has currently legally enforceable right to set-off the recognised amounts and the group entities intend either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the group entities' or the counter parties.

3.6 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for net realisable value write down and is recognized in the Consolidated Statement of Profit or Loss.

3.7 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realizable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw material in transit comprise of invoice value and other charges thereon. Net realizable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realizable value.

3.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by an group entities, the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the group entities, other than the wholly owned foreign subsidiary under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

Deferred tax is recognized using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

The group entities recognise a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.9 Staff retirement benefits

3.9.1 Defined benefit plan

The Holding Company and ISL provide gratuity benefit to all their respective permanent employees who have completed their minimum qualifying period of service i.e. three years (except in case of workers where minimum qualifying period of service is six months). For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service. For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service.

Obligations of Holding Company and ISL are determined through actuarial valuations carried out under the "Projected Unit Credit Method". Remeasurements which comprise actuarial gains or losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income in the consolidated financial statements.

The Holding Company and ISL determine their respective net interest expenses (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in the Consolidated Statement of Profit or Loss. The latest actuarial valuations were conducted at the reporting date by qualified professional firms of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.9.2 Defined contribution plan

The Holding Company and ISL provide provident fund to all its officers. Equal contributions are made, both by the Companies and their employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the Consolidated Statement of Profit or Loss.

3.9.3 Compensated absences

The liability for accumulated compensated absences of employees is recognized in the period in which employees render service that increases their entitlement to future compensated absences.

3.10 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the Consolidated Statement of Profit or Loss currently. The exchange gain on export receivable is restricted as per foreign exchange circulars issued by State Bank of Pakistan.

3.11 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.
- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement.
- Toll manufacturing / partial manufacturing income is recognised when related services are rendered.
- Service income is recognized when services are rendered.

No element of financing is deemed present as the sales are made with the credit term of upto 120 days, which is consistent with the market practice.

3.12 Other Income

- Income from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited.
- Dividend income is recognised when the right to receive payment is established.
- Gains / losses arising on sale of investments are included in the Consolidated Statement of Profit or Loss in the period in which they arise.
- Rental income is recognized on straight line basis over the term of the respective lease agreement.

3.13 Income on bank deposits and finance cost

The Group's finance income and finance cost includes interest income and interest expense. Interest income or expense is recognized using the effective interest method.

3.14 Impairment

3.14.1 Financial assets

Loss allowances for Expected Credit Loss (ECL) are recognised in respect of financial assets measured at amortised cost.

Loss allowances are measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on payment profiles of sales over a period of 36 - 60 months before June 30, 2022 or July 1, 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group entities have identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, Group entities consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Group entities historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. 12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECL is the maximum contractual period over which group entities are exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when group entities have no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. Group entities individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Group entities expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group entities procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

3.14.2 Non-Financial assets

The carrying amounts of non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss.

3.15 Provisions

A provision is recognised in the Consolidated Statement of Financial Position when Group entities have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. The nature of provision is not stated in the consolidated financial statements where such is expected to materially prejudice company's position, as allowed under the applicable accounting framework.

3.16 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. The operating results are monitored separately for each product category (i.e. Steel Coils and Sheets, Steel Pipes and Plastic Pipes) for the purposes of making decisions regarding resource allocation and performance assessment.

The Group entities do not consider sale of electricity to K-Electric Limited as separate reportable segment as the power plants of the entities are installed primarily to supply power to their production facilities and currently any excess electricity, if any, is sold to KE.

3.18 Dividend and appropriation to / from reserves

Dividend distribution to the Group entities shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.19 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the Group entities' operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Group entities' recognise government grants when there is reasonable assurance that grants will be received and the Group entities will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Group entities' for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below- market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.20 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating assets	4.1	28,908,267	29,619,422
Capital work-in-progress (CWIP)	4.2	767,190	641,655
Store and spares held for capital expenditure - at cost	4.3	556,158	510,307
		<u>30,231,615</u>	<u>30,771,384</u>

4.1 Operating assets

	Land - revalued - note 4.1.2 & 4.1.3		Buildings - revalued - note 4.1.2 & 4.1.3		Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	Freehold	Leasehold	Freehold land	Leasehold land				
----- (Rupees in '000) -----								
Balance as at July 1, 2022								
Cost / revalued amount	3,523,073	4,230,765	4,209,766	1,748,198	27,135,235	332,757	431,516	41,611,310
Accumulated depreciation	-	-	-	-	(11,582,817)	(226,282)	(182,788)	(11,991,887)
Accumulated impairment	-	-	-	-	-	-	-	-
Net book value (NBV)	3,523,073	4,230,765	4,209,766	1,748,198	15,552,418	106,475	248,728	29,619,423
Additions / transfers from CWIP	-	-	24,764	76,919	1,301,445	57,144	168,927	1,629,199
Surplus on revaluation - note 4.1.3	-	-	-	-	-	-	-	-
Translation reserve	-	-	-	-	-	1,407	-	1,407
Disposals - note 4.1.4	-	-	(98)	-	(82,020)	(7,178)	(104,013)	(193,309)
- Cost	-	-	14	-	37,010	6,575	82,525	126,124
- Accumulated depreciation	-	-	(84)	-	(45,010)	(603)	(21,488)	(67,185)
Depreciation charge - note 4.1.1	-	-	(312,900)	(186,639)	(1,647,015)	(40,037)	(87,986)	(2,274,577)
Balance as at June 30, 2023 (NBV)	<u>3,523,073</u>	<u>4,230,765</u>	<u>3,921,546</u>	<u>1,638,478</u>	<u>15,161,838</u>	<u>124,386</u>	<u>308,181</u>	<u>28,908,267</u>
Gross carrying value as at June 30, 2023								
Cost / revalued amount	3,523,073	4,230,765	3,579,345	1,442,187	28,354,660	384,130	496,430	42,010,590
Accumulated depreciation	-	-	342,201	196,291	(13,192,822)	(259,744)	(188,249)	(13,102,323)
Net book value	<u>3,523,073</u>	<u>4,230,765</u>	<u>3,921,546</u>	<u>1,638,478</u>	<u>15,161,838</u>	<u>124,386</u>	<u>308,181</u>	<u>28,908,267</u>
Depreciation rates (% per annum)	-	-	2 - 50	2 - 50	3 - 50	10 - 33.3	20	
Balance as at July 1, 2021								
Cost / revalued amount	2,942,867	2,681,474	3,769,970	1,498,186	25,632,977	285,534	347,305	37,158,313
Accumulated depreciation	-	-	(425,812)	(268,171)	(10,219,885)	(194,312)	(179,483)	(11,287,663)
Accumulated impairment	-	-	-	-	(383,369)	-	-	(383,369)
Net book value (NBV)	2,942,867	2,681,474	3,344,158	1,230,015	15,029,723	91,222	167,822	25,870,650
Additions / transfers from CWIP	-	689	59,589	71,337	1,725,733	51,308	168,702	2,077,358
Surplus on revaluation	580,206	1,548,602	1,047,745	584,887	-	-	-	3,761,440
Translation reserve	-	-	-	-	-	903	-	903
Impairment								
- Cost	-	-	-	-	681,261	-	-	681,261
- Accumulated depreciation	-	-	-	-	(297,892)	-	-	(297,892)
					383,369	-	-	383,369
Disposals - note 4.1.4								
- Cost	-	-	(12,451)	(23,283)	(904,736)	(4,988)	(84,491)	(1,029,949)
- Accumulated depreciation	-	-	287	7,592	484,728	4,817	68,760	566,184
			(12,164)	(15,691)	(420,008)	(171)	(15,731)	(463,765)
Depreciation charge - note 4.1.1	-	-	(229,562)	(122,351)	(1,549,768)	(36,787)	(72,065)	(2,010,533)
Balance as at June 30, 2022 (NBV)	<u>3,523,073</u>	<u>4,230,765</u>	<u>4,209,766</u>	<u>1,748,197</u>	<u>15,169,049</u>	<u>106,475</u>	<u>248,728</u>	<u>29,619,422</u>
Gross carrying value as at June 30, 2022								
Cost / revalued amount	3,523,073	4,230,765	4,209,766	1,748,198	27,135,235	332,757	431,516	41,611,310
Accumulated depreciation	-	-	-	-	(11,582,817)	(226,282)	(182,788)	(11,991,887)
Accumulated impairment	-	-	-	-	-	-	-	-
Net book value	3,523,073	4,230,765	4,209,766	1,748,198	15,552,418	106,475	248,728	29,619,422
Depreciation rates (% per annum)	-	-	2 - 50	2 - 50	3 - 50	10 - 33.3	20	

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	28	2,020,293	1,829,748
Selling and distribution expenses	29	32,429	29,668
Administrative expenses	30	34,135	27,329
(Loss) / income from power generation	33.1	187,720	123,788
		<u>2,274,577</u>	<u>2,010,533</u>

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Group and related forced sales values are as follows:

Particulars	Location	Area of land (Acres)	Covered Area (Square Feet)	Forced sales value (Rupees in '000)
Leasehold Land and Building (Manufacturing plant)	Plot no. LX15 - 16, HX-7/4, LX-2 Landhi Industrial Estate, Karachi	25.59	791,614	5,833,421
Leasehold Land and Building (Manufacturing plant)	22 KM Sheikhpura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhpura	31.45	370,664	1,436,404
Freehold Land and Building (Manufacturing plant)	Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi	42.45	1,634,002	5,674,846
Leasehold Building (Office premises)	Office no. 101 - 107, 1 st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi	Not applicable	13,676	191,459
Office premises	Office no. 203, 2 nd Floor, Beaumont Plaza, 10 Beaumont Road, Karachi	Not applicable	1,794	25,121
Leasehold Building (Sales office premises)	Chinoy House, 2 nd and 3 rd Floor, Off Thornton Road, Hadbast Mouza Khas, Lahore	Not applicable	4,906	39,616
Freehold Land and Building (Sales godown)	Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore	0.17	6,295	50,315
Freehold Land and Building (Sales godown)	Plot no. 47, Khasra no. 298/1, 2978/1, Ghoray Shah Road, Hadbast Mouza Khoi Meran, Lahore	0.18	6,215	32,208
Service center	Plot no. LE-73-79, 102 - 103, 112 - 118, 125 - 129 Survey no. NC. 98, near Arabian Country Club, NIP, Bin Qasim Industrial Park, Karachi	Not applicable	653,400	1,120,524
Multan plot	Khewat no. (B)38, 114, 302, Khatooni no. 127, 475, 1114, Mouza Laar Bahawalpur Road, Multan	Not applicable	372,711	90,910
				<u>14,494,824</u>

4.1.3 The revaluation of the freehold land, leasehold land and buildings thereon of the Holding Company and ISL was carried out as of June 30, 2022 by MYK Associates (Private) Limited (an independent valuer who is located in Karachi) which resulted in a surplus amounting to Rs. 3,761.44 million which was incorporated in the books of the Holding Company and ISL as at June 30, 2022.

The Holding Company commissioned independent valuation of freehold land, leasehold land and buildings thereon during the years / periods ended June 30, 1988, June 30, 1997, June 30, 2000, June 30, 2004, December 31, 2007, June 30, 2013, June 30, 2016, June 30, 2019 and June 30, 2022. ISL commissioned independent valuation of freehold land and buildings thereon during the years / periods ended June 30, 2013, June 30, 2016, June 30, 2019 and June 30, 2022.

The carrying amount of the aforementioned assets as at June 30, 2023, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
----- (Rupees in '000) -----			
Freehold land	1,242,835	-	1,242,835
Leasehold land	725,145	-	725,145
Buildings	4,731,410	(1,753,644)	2,977,766
As at June 30, 2023	6,699,390	(1,753,644)	4,945,746
As at June 30, 2022	6,597,805	(1,501,529)	5,096,276

4.1.4 Details of property, plant and equipment disposed off / scrapped having book value of five hundred thousand rupees or more each are as follows:

Description	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
----- (Rupees in '000) -----								
Plant and machinery								
Backup Roll With Ring Dia 1100Mm 4Hi Brc	15,348	14,581	767	3,082	2,315	Negotiation	Zafar Associates	Third Party
Backup Roll With Ring Dia 1100Mm 4Hi Brc	15,081	14,327	754	3,076	2,322	Negotiation	Zafar Associates	Third Party
	30,429	28,908	1,521	6,158	4,637			
Vehicles								
Toyota Corolla	2,505	1,545	960	2,295	1,335	As per Policy	Mr.Khizer Ahmed Junaidi	Employee
Honda Civic	2,924	2,241	683	2,878	2,196	As per Policy	Ms.Asema Tapal	Employee
Toyota Corolla Altis	3,375	1,462	1,913	3,600	1,687	As per Policy	Mr. Owais Ahmed	Employee
Honda City 1.5 Cvt	2,917	486	2,431	3,250	819	Negotiation	Yaseen Motors	Third Party
Toyota Yaris Ativ Automatic	2,926	732	2,194	3,766	1,572	As per Policy	Mr. Mubashir Anis	Employee
Toyota Yaris Ativ Automatic	2,675	580	2,095	3,100	1,005	Negotiation	Itehad Motors	Third Party
Toyota Yaris Ativ Automatic	2,675	802	1,873	3,400	1,527	As per Policy	Mr. Saad Alam	Employee
Suzuki Alto VXL	1,521	330	1,191	2,131	940	Negotiation	Itehad Motors	Third Party
Suzuki Alto VXR	1,335	289	1,046	1,750	704	As per Policy	Mr. Usman Younus	Employee
Honda City Manual	2,407	1,364	1,043	2,500	1,457	As per Policy	Mr. Mahfooz Alam	Employee
Suzuki Alto VXR	1,335	356	979	1,683	704	As per Policy	Mr. Uzair Riaz Gillani	Employee
Suzuki Alto VXR	1,745	1,047	698	2,025	1,327	Negotiation	Yaseen Motors	Third Party
Suzuki Alto VXR	1,745	1,047	698	1,445	747	As per Policy	Mr. Jamal Hasan	Employee
Suzuki Alto VXR	1,327	796	531	1,718	1,187	Negotiation	Itehad Motors	Third Party
Toyota Corolla	1,949	1,429	520	2,052	1,532	As per Policy	Mr. Ahsan Khan	Employee
	33,361	14,506	18,855	37,593	18,739			
	63,790	43,414	20,376	43,751	23,376			

4.2 Capital work-in-progress (CWIP)

	2023				2022			
	As at July 1, 2022	Additions / adjustments	Transfers / adjustments	As at June 30, 2023	As at July 1, 2021	Additions / adjustments	Transfers / adjustments	As at June 30, 2022
----- (Rupees in '000) -----								
Freehold land	-	-	-	-	-	689	(689)	-
Buildings on freehold land	8,884	36,391	(24,764)	20,511	10,505	57,968	(59,589)	8,884
Buildings on leasehold land	43,168	34,392	(76,919)	641	1,673	112,832	(71,337)	43,168
Plant and machinery	567,087	1,409,440	(1,301,445)	675,082	135,125	2,141,766	(1,709,804)	567,087
Furniture, fixtures and office equipment	12,536	73,204	(56,505)	29,235	23,293	56,436	(67,193)	12,536
Vehicles	9,980	200,668	(168,927)	41,721	6,535	172,147	(168,702)	9,980
	<u>641,655</u>	<u>1,754,095</u>	<u>(1,628,560)</u>	<u>767,190</u>	<u>177,131</u>	<u>2,541,838</u>	<u>(2,077,314)</u>	<u>641,655</u>

4.3 Stores and spares held for capital expenditures

	Note	2023	2022
(Rupees in '000)			
NBV at beginning of the year		510,307	658,705
Additions during the year		273,969	277,600
Transfers / adjustments made during the year		(200,650)	(399,767)
Provision for obsolescence against capital spares		(27,468)	(26,231)
NBV at end of the year		<u>556,158</u>	<u>510,307</u>

5. LEASES

5.1 Right-of-use assets

Balance at beginning of the year		31,335	9,714
Additions		-	32,973
Termination of leases		-	(2,903)
Depreciation charge during the year	5.1.1	(9,090)	(8,449)
		<u>22,245</u>	<u>31,335</u>

5.1.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	2023	2022
(Rupees in '000)			
Selling and distribution expenses	29	5,597	5,284
Administrative expenses	30	3,493	3,165
		<u>9,090</u>	<u>8,449</u>

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Group and lessor. Wherever practicable, the Group seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

5.2.1 Set out below the carrying amount of lease liabilities and the movements during the year:

	Note	2023	2022
(Rupees in '000)			
Balance at beginning of the year		31,939	12,997
Additions		-	32,973
Termination of leases		-	(3,601)
Interest expense	31	3,606	1,351
Payments		(10,713)	(11,781)
Balance at end of the year		24,832	31,939
Current portion		8,993	7,510
Non-current portion		15,839	24,429
		24,832	31,939

5.2.2 Lease liabilities are payable as follows:

	2023			2022
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
Less than one year	12,509	(3,516)	8,993	7,510
Between one and five years	16,216	(377)	15,839	24,429
	28,725	(3,893)	24,832	31,939

6 INTANGIBLE ASSETS

	Note	2023	2022
(Rupees in '000)			
Operating intangible assets	6.1	3,028	3,303
Capital work-in-progress (CWIP)	6.2	309,182	176,293
		312,210	179,596

6.1 Operating intangible assets

	Note	2023	2022
		(Rupees in '000)	
Net book value at beginning of the year		3,303	2,193
Additions		1,492	2,363
Amortisation	6.1.2	(1,767)	(1,253)
Net book value at end of the year		3,028	3,303
Gross carrying value			
Cost		103,465	102,317
Additions		344	-
Accumulated amortisation		(100,781)	(99,014)
Net book value		3,028	3,303
		(Percent)	
Amortization rate (per annum)		20 - 33.33	20 - 33.33

6.1.1 Intangible assets comprise of computer software and licenses.

6.1.2 The amortisation expense for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	28	730	672
Selling and distribution expenses	29	349	281
Administrative expenses	30	688	300
		1,767	1,253

6.2 This includes capitalization of Advanced Supply Chain Software, Delmia Quintiq solutions, amounting to Rs. 292.97 million (2022: Rs. 171.16 million).

7. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

2023	2022		Note	2023	2022
(Number of shares)				(Rupees in '000)	
7,615,588	6,092,470	Pakistan Cables Limited (PCL) - associated company	7.1	1,855,464	1,238,598

7.1 The Holding Company holds a 17.124% (2022: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the Chairman of the Board of the Holding Company is also the Chairman of the Board of PCL. The price per share of PCL as at reporting date was Rs. 82.92 (2022: Rs. 139.50) resulting in a market value of total investment amounting to Rs. 631.48 million (2022: Rs. 849.90 million). The share of profit after acquisition is recognised based on unaudited condensed interim financial statements of PCL as at March 31, 2023 as the latest financial statements as at June 30, 2023 were not presently available.

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

7.1.2 The summarized financial information of the associate and reconciliation with the carrying amount of the investment in these consolidated financial statements are set out below:

7.1.2.1 Movement during the year

	2023	2022
	(Rupees in '000)	
Investment at the beginning of the year	1,238,598	1,132,235
Share of profit from associate - before tax	173,766	237,983
Related tax	(66,946)	(72,354)
Share of profit from associate - net of tax	106,820	165,629
Share of other comprehensive (loss) / income	(761)	4,723
Proportionate share of transfer from surplus / (deficit) on revaluation of building	2,239	(18)
Share of surplus on revaluation of building	548,169	-
Dividends received	(39,601)	(63,971)
Investment at end of the year	<u>1,855,464</u>	<u>1,238,598</u>

7.1.2.2 Cost of investment

817,553	817,553
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7.1.2.3 Summarized statement of financial position of associate

Current assets	7,596,486	7,505,577
Non-current assets	13,720,661	6,545,349
Total assets	<u>21,317,147</u>	<u>14,050,926</u>
Current liabilities	(6,506,855)	(7,233,725)
Non-current liabilities	(5,505,450)	(1,114,706)
Total liabilities	<u>(12,012,305)</u>	<u>(8,348,431)</u>
Net assets	<u>9,304,842</u>	<u>5,702,495</u>

7.1.2.4 Summarized statement of profit or loss of associate

	For the period from April 1, 2022 to March 31, 2023	For the period from April 1, 2021 to March 31, 2022
	(Rupees in '000)	
Net sales	21,885,208	19,550,254
Cost of sales	(18,986,882)	(16,955,751)
Gross profit	2,898,326	2,594,503
General and administration expenses	(2,035,402)	(1,372,265)
Other income	151,831	167,525
Profit before tax for the period	1,014,755	1,389,763
Taxation	(390,950)	(422,530)
Profit after tax for the period	623,805	967,233
Other comprehensive income for the period	3,196,724	27,579
Direct adjustment in equity	13,075	(106)
Total comprehensive income for the period	<u>3,833,604</u>	<u>994,706</u>

7.1.2.5 Reconciliation of the above summarized financial information to the carrying amount of the interest in associate recognized in these consolidated financial statements is as follows:

	For the period from April 1, 2022 to March 31, 2023	For the period from April 1, 2021 to March 31, 2022
	(Rupees in '000)	
Net assets at beginning of the year	5,702,495	5,081,358
Total comprehensive income for the year	3,833,604	994,706
Dividend distributed during the year	(231,257)	(373,569)
Net assets of the associate	9,304,842	5,702,495
Proportion of Company's interest in associate	17.124%	17.124%
Share of net assets of associate	1,593,361	976,495
Goodwill and others	262,103	262,103
Carrying amount of the Company's interest in associate	1,855,464	1,238,598

8. STORES AND SPARES

Note

	2023	2022
	(Rupees in '000)	
Stores	737,582	613,584
Spares	769,930	796,301
Loose tools	21,432	27,275
	1,528,944	1,437,160
Less: Provision for net realisable value write down	(281,204)	(255,634)
	1,247,740	1,181,526

8.1 Provision for net realisable value write down

Balance as at 1 July 2022	255,634	178,507
Provision during the year	25,570	77,127
Balance as at 30 June 2023	281,204	255,634

9. STOCK-IN-TRADE

Raw material - in hand	12,615,638	15,436,789
- in transit	5,499,968	9,745,563
	18,115,606	25,182,352
Work-in-process	1,623,223	6,833,793
Finished goods - in hand	12,168,747	11,335,368
- in transit	387,918	2,110,127
By-products	29,893	72,635
Scrap material	206,118	154,066
	32,531,505	45,688,341

- 9.1** Raw material of the Holding Company amounting to Rs. 2.8 million as at June 30, 2023 (2022: Rs. 7.7 million) is held at a vendor's premises for the production of pipe caps.

10. TRADE DEBTS	Note	2023	2022
		(Rupees in '000)	
Considered good - secured	10.1	778,166	879,441
- unsecured		4,549,708	5,973,642
		<u>5,327,874</u>	<u>6,853,083</u>
Considered doubtful		175,055	143,332
		<u>5,502,929</u>	<u>6,996,415</u>
Loss allowance on trade debts	10.3	(175,055)	(143,332)
		<u>5,327,874</u>	<u>6,853,083</u>

- 10.1** This represents trade debts arising on account of export sales of Rs. 614.87 million (2022: Rs. 722.46 million) which are secured by way of Export Letters of Credit and Rs. 163.29 million (2022: Rs. 156.98 million) on account of domestic sales which are secured by way of Inland Letters of Credit.

- 10.2** Related parties from whom trade debts are due as at June 30, 2023 are as under:

	2023	2022
	(Rupees in '000)	
Sumitomo Corporation	132,140	-
Pakistan Cables Limited	91,583	238,237
Cherat Cement Company Limited	-	1,123
	<u>223,723</u>	<u>239,360</u>

- 10.2.1** The maximum aggregate amount due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 7.38 million (2022: Rs. 6.51 million).

- 10.2.2** The ageing of the trade debts receivable from related parties as at the reporting date are as under:

	2023	2022
	(Rupees in '000)	
Not yet due	<u>239,360</u>	<u>239,360</u>

10.3 Loss allowance on trade debts

Balance at beginning of the year	143,332	101,714
Translation reserve	-	3,224
Charge of loss allowance on trade debts	51,910	38,394
Write off during the year	(20,187)	-
Balance at end of the year	<u>175,055</u>	<u>143,332</u>

11. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

	Note	2023	2022
		(Rupees in '000)	
Advances - Considered good - unsecured			
- Suppliers	11.1	101,844	131,008
- Employees for business related expenses	11.1	4,735	3,601
Trade deposits	11.1	32,288	47,788
Prepayments		37,467	20,526
		176,334	202,923

11.1 These advances and trade deposits are non interest bearing.

12. OTHER RECEIVABLES

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Insurance claim		-	14,926
Receivable from K-Electric Limited (KE) - unsecured		22,363	60,417
Receivable from Provident Fund - unsecured	12.1	31,192	27,924
Others		41,784	18,088
		95,339	121,355
Considered doubtful			
Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods		25,940	25,940
Receivable against short shipment	12.2	150,000	-
		271,279	147,295
Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Welfare Fund in prior periods		(25,940)	(25,940)
Provision for receivable against short shipment	12.2	(150,000)	-
		95,339	121,355

12.1 This represents amount receivable from International Industries Limited - Employees' Contributory Provident Fund, a related party.

12.2 This represents receivable in respect of short receipt of Prime Hot Rolled Coil (HRC) during the year. The management is pursuing various actions for recovery of the amount.

13. CASH AND BANK BALANCES

	Note	2023	2022
(Rupees in '000)			
Cash at bank			
Conventional			
Current accounts			
- local currency		631,042	494,315
- foreign currency		670,097	557,380
Savings accounts			
- local currency	13.1	88,871	116,268
- foreign currency		350,059	50,168
Call deposit receipt	13.2	384,000	-
		<u>2,124,069</u>	<u>1,218,131</u>
Islamic			
Current accounts			
- local currency		77,469	-
- foreign currency		151,109	-
Saving accounts - local currency		11,521	-
Cash in hand		47,070	639
		<u>2,411,238</u>	<u>1,218,770</u>

13.1 At June 30, 2023, the rates of mark up on savings accounts denominated in local currency range from 12.25% to 20.50% (2022: 12.25% to 12.50%) per annum.

13.2 This represents investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million (June 30, 2022: Nil) having mark-up of 19.85%. The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

14. SHARE CAPITAL

Authorised share capital

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
<u>200,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs. 10 each	<u>2,000,000</u>	<u>2,000,000</u>

Issued, subscribed and paid-up capital

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
<u>6,769,725</u>	<u>6,769,725</u>	Fully paid ordinary shares of Rs.10 each issued for cash	67,697	67,697
<u>125,112,156</u>	<u>125,112,156</u>	Fully paid ordinary shares of Rs.10 each issued as bonus shares	1,251,122	1,251,122
<u>131,881,881</u>	<u>131,881,881</u>		<u>1,318,819</u>	<u>1,318,819</u>

- 14.1** Pakistan Cables Limited, an associated company due to shareholding and common directorship, held 792,000 (2022: 633,600) ordinary shares of the Holding Company of Rs. 10 each at the year end.

15. GENERAL RESERVES

General reserve is maintained for fulfilling various business needs including meeting contingencies, offsetting future losses, enhancing the working capital and paying dividends.

16. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
(Rupees in '000)			
Freehold land			
Balance at beginning of the year		1,686,100	1,356,866
Surplus on revaluation of freehold land		-	329,234
Balance at end of the year		1,686,100	1,686,100
Leasehold land			
Balance at beginning of the year		3,505,620	1,957,018
Surplus on revaluation of leasehold land		-	1,548,602
Balance at end of the year		3,505,620	3,505,620
Buildings			
Balance at beginning of the year		2,175,308	1,037,800
Surplus on revaluation of buildings		-	1,233,094
Disposal of buildings		-	(5,222)
Transferred to retained earnings (un-appropriated profit) in respect of incremental depreciation charged during the year		(203,896)	(90,364)
		1,971,412	2,175,308
Related deferred tax liability	16.2	(682,640)	(558,815)
Balance at end of the year - net of deferred tax		1,288,772	1,616,493
		6,480,492	6,808,213
Proportionate share of surplus on revaluation of building of equity accounted investee		588,443	177,902
		7,068,935	6,986,115

- 16.1** The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Holding Company in accordance with section 241 of the Companies Act, 2017.

16.2 Movement in related deferred tax liability

Note

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	558,815	263,885
Deferred tax for the year	-	317,233
Effect of change in Normal Tax Regime ratio	196,674	1,555
Tax effect on disposal	-	(1,222)
Tax effect on incremental depreciation transferred to retained earnings	(72,849)	(22,636)
Balance at end of the year	682,640	558,815

17. LONG-TERM FINANCING - secured**CONVENTIONAL**

Long-Term Finance Facility (LTFF)	17.2	1,142,506	1,462,053
Long-Term Finance		677,178	1,186,364
Payroll Refinance Scheme	17.3	-	194,993
Temporary Economic Refinance Facility (TERF)	17.4	493,003	442,889
		2,312,687	3,286,299

ISLAMIC

Diminishing Musharakah		3,079,545	181,819
Islamic Long-Term Finance Facility (ILTFF)	17.5	489,217	561,450
Islamic Temporary Economic Refinance Facility (ITERF)	17.6	240,285	240,281
Islamic Finance Facility for Renewable Energy (IFRE)	17.7	80,000	-
Long-Term Finance		-	2,450,000
Payroll Refinance Scheme	17.8	-	128,820
		3,889,047	3,562,370
		6,201,734	6,848,669
Deferred income - government grant		(205,331)	(224,935)
		5,996,403	6,623,734

Current portion of long-term financing

CONVENTIONAL

Long-Term Finance Facility (LTFF)		(352,869)	(337,293)
Long-Term Finance		(395,455)	(645,455)
Temporary Economic Refinance Facility (TERF)		(61,625)	-
Payroll Refinance Scheme		-	(194,993)
		(809,949)	(1,177,741)

17. LONG-TERM FINANCING - secured

	2023	2022
	(Rupees in '000)	
ISLAMIC		
Diminishing Musharakah	(79,545)	(136,364)
Long-Term Finance	-	(980,000)
Islamic Long-Term Finance Facility (ILTF)	(76,133)	(75,514)
Islamic Temporary Economic Refinance Facility (ITERF)	(12,577)	-
Islamic Finance Facility for Renewable Energy (IFRE)	(8,000)	-
Payroll Refinance Scheme	-	(128,820)
	(176,255)	(1,320,698)
	(986,204)	(2,498,439)
	5,010,199	4,125,295

17.1 Long-term finances utilised under mark-up arrangements

	Sale price (Rupees in '000)	Purchase price (Rupees in '000)	Number of instalments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount 2023	Carrying amount 2022
CONVENTIONAL							
i) LTF							
MCB Bank Limited Assistance for plant and machinery	550,000	906,963	34 quarterly Oct 29, 2016	Mar 28, 2025 to Nov 20, 2027	37%/52% (fixed rate)	152,541	218,494
MCB Bank Limited Assistance for plant and machinery	100,000	149,976	34 quarterly Aug 31, 2019	Aug 31, 2027	35% (fixed rate)	51,520	66,497
MCB Bank Limited Assistance for plant and machinery	100,000	147,862	34 quarterly Mar 30, 2020	Jun 30, 2028	35% (fixed rate)	57,210	60,827
Allied Bank Limited Assistance for plant and machinery	500,000	578,167	16 half yearly Dec 30, 2023	Jun 15, 2032	25% (fixed rate)	225,529	224,849
Allied Bank Limited Assistance for plant and machinery	500,000	578,168	16 half yearly Jan 20, 2022	Jan 20, 2032	0.50% over SBP	195,370	185,489
Bank AL Habib Assistance for plant and machinery	1,000,000	2,501,562	16 half yearly Dec 12, 2016	May 30, 2026	Refinance rate 100% over SBP	240,432	365,434
United Bank Limited Assistance for plant and machinery	1,000,000	4,675,000	32 quarterly Oct 16, 2016	Jul 15, 2026	Refinance rate 100% over SBP	219,904	340,463
						1,142,506	1,462,053
ii) Payroll Refinance Scheme							
Habib Metropolitan Bank Limited Payroll finance facility	550,000	660,000	8 quarterly Mar 31, 2021	Mar 31, 2023	0.75% (fixed rate)	-	194,993
iii) Long-term finance							
MCB Bank Limited Refinancing of capital expenditure / balancing, modernization and replacement (BMR)	800,000	1,164,316	11 half yearly Jun 30, 2020	Dec 28, 2024	0.1% over 6 months KIBOR	363,637	436,364
Allied Bank of Pakistan Limited Refinancing of capital expenditure	1,000,000	1,494,500	4 half yearly Jun 29, 2022	Dec 29, 2023	0.1% over 6 months KIBOR	250,000	750,000
Allied Bank of Pakistan Limited Assistance for plant and machinery					0.1% over 6 months KIBOR	63,541	-
						677,178	1,186,364
iv) TERF							
National Bank of Pakistan Assistance for plant and machinery	500,000	540,473	16 half yearly Apr 6, 2021	October 6, 2031	125% over SBP Refinance rate	493,003	442,889
						2,312,687	3,286,299

		Sale price (Rupees in '000)	Purchase price	Number of instalments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount 2023	Carrying amount 2022
ISLAMIC								
i) Diminishing Musharakah								
Meezan Bank Limited	Acquisition of Musharakah assets	500,000	950,361	5 half yearly & 12 quarterly Jun 30, 2018	Jun 30, 2023	01% over 3 months KIBOR	22,727	90,910
Meezan Bank Limited	Acquisition of Musharakah assets	250,000	279,978	3 half yearly & 16 quarterly Jun 30, 2019	Jun 30, 2024	01% over 3 months KIBOR	56,818	90,909
Meezan Bank Limited	Acquisition of Musharakah assets	1,688,000	3,022,245	20 quarterly Jun 29, 2025	Dec 29, 2029	01% over 3 months KIBOR	1,688,000	-
Meezan Bank Limited	Acquisition of Musharakah assets	1,312,000	2,349,043	20 quarterly Jun 29, 2025	Dec 29, 2029	01% over 3 months KIBOR	1,312,000	-
							3,079,545	181,819
ii) ILTF								
Habib Bank Limited	Acquisition of Musharakah assets	150,000	187,500	16 half yearly Feb 22, 2022	May 31, 2030	25% (fixed rate)	99,190	114,048
Meezan Bank Limited	Assistance for plant and machinery	700,000	792,312	32 quarterly Oct 17, 2020	Mar 13, 2030	3.00% over SBP Refinancerate	390,027	447,402
							489,217	561,450
iii) ITERF								
Habib Bank Limited	Assistance for plant and machinery	131,000	163,750	32 quarterly Jun 28, 2023	April 9, 2031 to Jun 18, 2031	2% (fixed rate)	115,285	115,281
Bank Islami	Assistance for plant and machinery	125,000	156,250	32 quarterly Jul 25, 2023	May 6, 2031 Jun 17, 2031	2% (fixed rate)	125,000	125,000
							240,285	240,281
iv) IFRE								
Bank Islami Pakistan Limited	Assistance for Solar Project	80,000	101,347	32 half yearly Jul 25, 2023	Dec 31, 2032	6.0% (fixed rate)	80,000	-
v) Long-term finance								
Habib Bank Limited	Assistance for plant and machinery	5,000,000	5,625,000	10 half yearly Jun 5, 2020	Dec 5, 2024	0.10% over 6 months KIBOR	-	2,450,000
vi) Payroll Refinance Scheme								
Faysal Bank Limited	Payroll finance facility	343,521	348,263	8 quarterly installments Apr 1, 2021	Jan 1, 2023	0.75%/100% (fixed rate)	-	128,820
							3,889,047	3,562,370
							6,201,734	6,848,669

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

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

- 17.2** This represents finance facility loans obtained by the Holding Company and ISL from various banks under the State Bank of Pakistan's (SBP) Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 17.3** This represents long-term loans obtained by the Holding Company for financing its salaries and wages under the SBP's Payroll Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.
- 17.4** This represents finance facility loans obtained from various banks by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up of new industrial units.
- 17.5** This represents finance facility loans obtained by the Holding Company and ISL from Islamic banks under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 17.6** This represents long-term loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available to the Holding Company from various Islamic banks at below-market interest rates.
- 17.7** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.
- 17.8** This represents long-term loans obtained by ISL under the SBP's Payroll Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.
- 17.9** During the year, mark-up paid on conventional and Islamic long-term finance amounts to Rs. 208.35 million (2022: Rs. 220.98 million) and Rs. 454.99 million (2022: Rs. 364.81 million) respectively.

18. DEFERRED INCOME - GOVERNMENT GRANT	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		224,935	65,014
Deferred grant recorded:			
- under Islamic Temporary Economic Refinance Facility	18.1	9,495	214,632
Government grant recognised in income	33	(29,099)	(54,711)
Balance at end of the year		205,331	224,935
Less: current portion of deferred income - government grant		(38,632)	(38,426)
		166,699	186,509

- 18.1** This represents deferred grant recognised by the Holding Company and ISL in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' in respect of SBP's Refinance Scheme for Payment of Wages and Salaries and the Islamic Temporary Economic Refinance Facility obtained at concessionary rates. The Holding Company and ISL have fulfilled the criteria of the said loans and have accordingly recognised the grant income in the Consolidated Statement of Profit or Loss.

19. GAS INFRASTRUCTURE DEVELOPMENT CESS

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	1,465,882	1,430,408
Unwinding of Gas Infrastructure Development Cess (GIDC)	97,497	99,025
Gain on remeasurement of GIDC	(27,278)	(63,551)
	1,536,101	1,465,882
Less: Current portion of GIDC	(1,344,482)	(917,341)
Balance at end of the year	191,619	548,541

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

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

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

20. STAFF RETIREMENT BENEFITS

20.1 Defined Contribution Plan

20.1.1 Staff Provident Fund

All investments in collective investment scheme, listed equity and listed debt securities out of the Provident Funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

20.2 Defined benefit scheme

Staff Gratuity Fund

20.2.1 As stated in note 3.9, the Holding Company and ISL operate approved funded defined benefit gratuity plans for all permanent employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

20.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Holding Company and ISL appoints the trustees from among its employees.

20.2.3 Risks on account of defined benefit plan

The Group faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 6 months, 3, 5 or 10 year Regular Income Certificates, Defence Savings Certificates, Treasury Bills and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

20.2.4 Funding

The gratuity plans are fully funded by the Group. The funding requirements are based on the Gratuity Funds' actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

20.2.5 The actuarial valuation of the gratuity benefit was carried out at June 30, 2023 under projected unit credit method using the following significant assumptions:

	2023	2022
	per annum	
Financial assumptions		
Holding Company		
Discount rate	16.25 %	13.25 %
Salary increase rate		
First year - Unionized staff	16.25 %	13.25 %
First year - Management	16.25 %	13.25 %
Long-term	16.25 %	13.25 %

	2023	2022
	per annum	
ISL		
Discount rate	15.75%	13.50 %
Salary increase rate	14.75%	12.50 %
Demographic assumptions		
Holding Company	SLIC 2001-05-1 Heavy Age 60 years	SLIC 2001-05-1 Heavy Age 60 years
Mortality rate		
Rates of employee turnover		
Retirement assumption		
ISL		
Mortality rate	SLIC 2001-05 Moderate Age 60 years	SLIC 2001-05 Moderate Age 60 years
Rates of employee turnover		
Retirement assumption		

20.2.6 The amount recognised in the Consolidated Statement of Financial Position is as follows:

	Note	2023	2022
		(Rupees in '000)	
Present value of defined benefit obligation	20.2.9	1,053,043	940,561
Fair value of plan assets	20.2.10	(887,522)	(785,016)
Deficit as at June 30		<u>165,521</u>	<u>155,545</u>

20.2.7 Movements in net defined liability

Balance at beginning of the year		155,545	115,338
Expense chargeable to statement of profit or loss	20.2.8	91,690	77,352
Contribution paid during the year		(112,012)	(109,969)
Re-measurements recognized in other comprehensive income during the year	20.2.8	30,298	72,824
Balance at end of the year		<u>165,521</u>	<u>155,545</u>

20.2.8 Amount recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to the Consolidated Statement of Profit or Loss and other comprehensive income:

	2023	2022
	(Rupees in '000)	
Component of defined benefit costs recognized in Consolidated Statement of Profit or Loss		
Service cost		
Current service cost	73,714	67,915
Interest cost on defined benefits obligation	121,502	81,005
Return on plan assets	(103,526)	(71,568)
	17,976	9,437
	91,690	77,352
Component of defined benefit costs (re-measurement) recognised in other comprehensive income		
Actuarial loss on obligation	(18,410)	35,357
Actuarial gain / (loss) on plan assets	48,708	37,467
Total re-measurements recognised in other comprehensive income	30,298	72,824
Total defined benefit cost recognised in profit or loss and other comprehensive income	121,988	150,176

20.2.8.1 Analysis of remeasurements recognised in other comprehensive income

	2023	2022
	(Rupees in '000)	
Re-measurements: Actuarial loss / (gain) on obligation		
(Gain) / loss due to change in financial assumptions	(6,600)	6,145
Loss due to change in experience adjustments	34,152	29,212
Total actuarial loss on obligation	27,552	35,357
Re-measurements: Actuarial gain / (loss) on plan assets		
Actual return on plan assets	(12,419)	(8,314)
Interest income on plan assets	62,199	45,781
Opening difference	(1,072)	-
Total actuarial gain on plan assets	48,708	37,467
	76,260	72,824

20.2.9 Movement in the present value of defined benefit obligation

	2023	2022
	(Rupees in '000)	
Present value of defined benefit obligation at beginning of the year	940,561	816,275
Current service cost	73,714	67,915
Interest cost	121,502	81,005
Benefits paid	(64,324)	(59,991)
Re-measurement : Actuarial loss on obligation	(18,410)	35,357
Present value of defined benefit obligation at end of the year	<u>1,053,043</u>	<u>940,561</u>

20.2.10 Movement in the fair value of plan assets

Fair value of plan assets at beginning of the year	785,016	700,937
Interest income on plan assets	103,526	71,568
Contribution to the Fund	112,012	109,969
Benefits paid	(64,324)	(59,991)
Re-measurement : Actuarial gain on plan assets	(48,708)	(37,467)
Fair value of plan assets at the end of the year	<u>887,522</u>	<u>785,016</u>

20.2.11 Analysis of Present value of defined benefit obligation

Vested / Non-Vested		
Vested Benefits	1,046,942	939,512
Non-Vested benefits	6,101	1,049
	<u>1,053,043</u>	<u>940,561</u>

20.2.12 Disaggregation of fair value of plan assets

Cash and cash equivalents (after adjusting current liabilities)	34,685	78,314
Equity instruments - listed	111,191	141,130
Debt instruments		
Pakistan Investment Bonds	110,984	195,592
Defence Saving Certificates	236,930	269,651
Market Treasury Bills	24,229	6,167
Regular Income Certificates	-	94,162
	<u>518,019</u>	<u>785,016</u>

20.2.13 The Holding Company and ISL ensure asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

20.2.14 Maturity profile of the defined benefit obligation

	2023	2022
	(Rupees in '000)	
Weighted average duration of the defined benefit obligation		
Holding Company	6.79	6.81
ISL	10	11

Distribution of timing of benefit payments

	2023			2022		
	Holding Company	ISL	Total	Holding Company	ISL	Total
One year	78,686	17,668	96,354	88,091	15,249	103,340
Two years	100,947	26,769	127,716	83,313	18,509	101,822
Three years	93,771	20,421	114,192	87,917	25,635	113,552
Four years	125,060	80,762	205,822	86,881	18,266	105,147
Five years	119,303	26,924	146,227	109,642	66,978	176,620
Six years to ten years	720,473	15,142,368	15,862,841	535,867	8,867,627	9,403,494

20.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2023			2022		
	Holding Company	ISL	Total	Holding Company	ISL	Total
Discount rate + 1%	639,845	334,434	974,279	605,168	264,727	869,895
Discount rate - 1%	733,113	410,510	1,143,623	693,662	328,542	1,022,204
Long-Term Salary increase + 1%	735,104	411,056	1,146,160	695,384	329,017	1,024,401
Long-Term Salary increase - 1%	637,394	333,381	970,775	602,978	263,823	866,801

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation with the project unit credit method at the end of the reporting period) has been applied.

20.2.16 The expense in relation to gratuity benefit for the year ending June 30, 2024 is expected to be Rs. 110.45 million which is also the expected contribution of the Holding Company and ISL.

21. DEFERRED TAXATION - NET

	Accelerated tax depreciation	Share of profit from equity accounted investee	Surplus on revaluation of buildings	Provision for infrastructure cessa and government levies	Loss allowance on trade debts	Provision for net realisable value write down against stores and spares	Provision for compensated absences	Provision for lease liability	Staff retirement benefits	Gas Infrastructure Development Cess	Unrealised exchange losses	Minimum Tax	Net effect of consolidation adjustments - note 21.4	Tax loss - note 21.3	Total
	(Rupees in '000)														
Balance at July 1, 2022	2,132,702	63,157	746,104	(700,126)	(29,669)	(48,165)	(4,809)	(3,411)	(36,359)	(1,740)	(9,329)	-	(352,743)	(147,136)	1,608,476
(Credit) / charge to profit or loss for the year	539,802	60,262	(45,694)	(347,903)	(36,831)	(4,926)	(1,844)	(1,375)	(2,756)	7,514	(26,550)	(152,504)	259,923	-	247,118
(Credit) / charge to other comprehensive income for the year	-	137,042	213,054	-	-	-	-	-	(13,403)	-	-	-	-	-	336,693
Balance at June 30, 2023	2,672,504	260,461	913,464	(1,048,029)	(66,500)	(53,091)	(6,653)	(4,786)	(52,518)	5,774	(35,879)	(152,504)	(92,820)	(147,136)	2,192,287
Balance at July 1, 2021	2,564,665	30,233	341,358	(500,251)	(21,735)	(39,045)	(4,379)	(5,860)	(26,708)	(27,462)	(9,329)	(369,866)	(31,016)	(147,136)	1,753,469
(Credit) / charge to profit or loss for the year	(431,963)	32,924	(16,052)	(199,875)	(7,934)	(9,120)	(430)	2,449	(5,192)	25,722	-	319,486	(321,727)	-	(611,712)
(Credit) / charge to other comprehensive income for the year	-	-	420,798	-	-	-	-	-	(4,459)	-	-	-	-	-	416,339
Adjustment of minimum tax - note 25	-	-	-	-	-	-	-	-	-	-	-	50,380	-	-	50,380
Balance at June 30, 2022	2,132,702	63,157	746,104	(700,126)	(29,669)	(48,165)	(4,809)	(3,411)	(36,359)	(1,740)	(9,329)	-	(352,743)	(147,136)	1,608,476

21.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the Consolidated Statement of Financial Position.

21.2 Deferred tax assets and liabilities are restricted to 81.36% (2022: 70.84%) by the Holding Company and 72.02% (2022: 72.80%) by ISL of the total deferred tax assets and liabilities except tax loss recognised by the Holding Company based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.

21.3 The deferred tax asset on tax loss will be recoverable based on the estimated future taxable income and approved business plans and budgets.

21.4 This represents tax impact arising on elimination of unrealised gain on inventory and property, plant and equipment on intra-group transactions.

21.5 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

22. TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Trade creditors	22.1	4,684,877	743,293
Bills payable		1,381,901	1,810,739
Accrued expenses	22.2	3,782,410	3,973,524
Provision for Infrastructure Cess	22.3	4,291,707	3,473,999
Provision for Government Levies	22.4	3,094	778
Short-term compensated absences		25,574	22,242
Workers' Profit Participation Fund	22.5	277,336	440,127
Workers' Welfare Fund	22.6	389,776	452,793
Current portion of deferred income - government grant	18	38,632	38,426
Others		148,435	64,666
		<u>15,023,742</u>	<u>11,020,587</u>

22.1 This includes payable to Sumitomo Corporation, related party of ISL, amounting to Rs. 3,053 million (2022: Rs. NIL).

22.2 These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 1,344.48 million (2022: Rs. 917.34 million), a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 843.22 million (2022: Rs. 804.93 million).

22.3 Provision for Infrastructure Cess

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	3,473,999	2,289,074
Charge for the year	817,708	1,184,925
Balance at end of the year	<u>4,291,707</u>	<u>3,473,999</u>

22.3.1 The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amount to Rs. 4,250 million (2022: Rs. 3,615 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on the basis of prudence. Subsequently through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh infrastructure cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute had been linked with the previous infrastructure cess case.

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

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

22.4 Provision for Government levies - stamp duty

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	778	2,531
Provided during the year	3,600	2,100
Payment during the year	(1,284)	(3,853)
Balance at end of the year	<u>3,094</u>	<u>778</u>

22.5 Workers' Profit Participation Fund

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		440,127	560,830
Interest on funds utilized in the Holding Company's business 75.00% (2022: 75.00%)	31	5,680	7,065
		<u>445,807</u>	<u>567,895</u>
Expense for the year	32	333,337	505,128
		<u>779,144</u>	<u>1,073,023</u>
Payments made during the year		(501,808)	(632,896)
Balance at end of the year		<u>277,336</u>	<u>440,127</u>

22.6 Workers' Welfare Fund

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	452,793	489,917
Charge for the year	84,166	208,191
Payment / adjustment during the year	(147,183)	(245,315)
Balance at end of the year	<u>389,776</u>	<u>452,793</u>

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

23. CONTRACT LIABILITIES

During the year, the Holding Company and ISL recognised revenue amounting to Rs. 2,047.98 million (2022: Rs. 1,391.7 million) out of the contract liabilities balance outstanding at the beginning of the year.

24. SHORT-TERM BORROWINGS - secured

	Note	2023	2022
(Rupees in '000)			
CONVENTIONAL			
Running finance under mark-up arrangement from banks	24.1	1,416,708	4,558,025
Short-term borrowing under Money Market Scheme maturing within three months	24.1	2,326,191	8,270,000
Short-term borrowing under Export Refinance Scheme	24.2	5,351,000	7,036,781
Short-term borrowing under Export Finance Scheme	24.3	207,463	-
Invoice Financing Liability		239,139	-
		9,540,501	19,864,806
ISLAMIC			
Short-term borrowing under Money Market Scheme maturing within three months		925,000	-
Short-term borrowing under Running Musharakah	24.4	376,029	6,432,067
Term Musharakah maturing within three months		-	1,700,000
Short-term borrowing under Export Refinance Scheme	24.5	200,000	2,000,000
		1,501,029	10,132,067
		11,041,530	29,996,873

24.1 The facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 21.18% to 22.63% (2022: 10.88% to 14.81%) per annum. The rates of mark-up on these finances obtained by ISL range from 21.75% to 22.20% (2022: 11.95% to 14.61%) per annum.

24.2 The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities obtained by Holding Company is 12.50% to 18.00% (2022: 2.50%) per annum. The rates of mark-up on these facilities obtained by ISL range from 16.50% to 17.75% (2022: 2.50% to 7.50%) per annum. These facilities mature within six months and are renewable.

- 24.3** The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 2.00% to 2.50% (2022: Nil) per annum. These facilities mature within six months.
- 24.4** The Holding Company and ISL have obtained facilities for short-term finance under Running Musharakah. The rates of profit on these finances obtained by the Holding Company range from 21.41% to 22.38% (2022: 11.95% to 14.51%) per annum. The rates of profit on the finances obtained by ISL range from 22.18% to 22.48% (2022: 11.99% to 12.46%) per annum.
- 24.5** ISL has availed short-term running finance facility under the Islamic Export Refinance Scheme of the SBP from an Islamic bank. The rates of profit on this facility range from 3.00% to 7.50% (2022: 3.00% to 7.50%) per annum. This facility matures within six months and is renewable.
- 24.6** As at June 30, 2023, the unavailed facilities from the above borrowings for the Holding Company amounted to Rs. 12,224 million (2022: Rs. 5,601 million) and for ISL amounted to Rs. 25,826 million (2022: Rs. 8,900 million).
- 24.7** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

25. TAXATION - NET

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		2,431,598	586,746
Adjustment of minimum tax	21	-	(50,380)
Tax payments / adjustment made during the year		(3,009,225)	(2,551,489)
		(577,627)	(2,015,123)
Less: Provision for income tax	34	2,418,076	4,446,721
Balance at end of the year		1,840,449	2,431,598

- 25.1** Under the Finance Act, 2022, the Federal Government inserted section 4C to the Income Tax Ordinance, 2001 which imposed a super tax on persons earning more than Rs. 150 million at varying rates. The Holding Company and ISL, along with the other companies, filed a petition in SHC on October 22, 2022 against the chargeability of Super Tax for the tax year 2022 and accordingly submitted a bank guarantee amount to Rs. 1,038.75 million in the Nazir of SHC. On December 22, 2022, the SHC decided that the Super Tax shall be applicable from FY 2023 instead of FY 2022 at a rate of a maximum 4%. In an appeal by FBR against this order, the Supreme Court passed an interim order to encash the bank guarantees by 4% till the case is finally decided. Consequently, the bank guarantee was reduced to Rs. 623.25 million.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

Description of factual basis of the proceeding and relief sought	Name of court	Principal parties	Date instituted
<p>26.1.1 The Collector of Customs has charged the Holding Company for a redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Holding Company has filed an appeal before the Sindh High Court (SHC), which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the SHC. The management anticipates that the chances of admission of such appeal are remote.</p>	Sindh High Court	Collector of Customs / Federation of Pakistan	August 30, 2007
<p>26.1.2 The Holding Company filed the suit before SHC challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On October 21, 2016 Court granted stay against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which the Holding Company is not a party, Supreme Court of Pakistan (SCP) issued an order on February 21, 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the SCP in which the Holding Company is not a party and the decision is awaited. In view of such developments, the suit was withdrawn and a petition was filed before the SHC, which is pending hearing. Application for release of pledged shares is in process.</p> <p>On a separate application challenging the chargeability of tax on inter corporate dividend, stay is granted by the SHC in respect of dividends declared by the subsidiary company on June 2, 2017, September 26, 2017, January 23, 2018, September 29, 2021, January 31, 2022 and August 18, 2022 against bank guarantees amounting to Rs. 76.6 million, Rs. 36.8 million, Rs. 55.1 million, Rs. 257.3 million, Rs. 73.5 million and Rs. 165.4 million respectively submitted to the Nazir of the Court.</p>	Sindh High Court	FBR / Commissioner Inland Revenue / Federation of Pakistan	November 1, 2016

Description of factual basis of the proceeding and relief sought	Name of court	Principal parties	Date instituted
<p>26.1.3 As per section 95 of the Custom Act read with Customs Rules, 2001, the Holding Company sold zinc wastages generated from imports under manufacturing bond at 0% duty for export during 2012-13, 2013-14 and 2014-15. All these sales were subject to sales tax payments in term of Custom Rules.</p> <p>However, on August 31, 2020, the Collector of Customs (Adjudication - II) has passed ONO no. 473, 474 and 475 against the Holding Company and ordered for recovery of customs duty amounting to Rs. 402.72 million on zinc wastages.</p> <p>The Holding Company filed appeals against these orders in the Customs Tribunal. However, due to non-functioning of Tribunal and considering the importance, the Holding Company preferred to file an appeal with the SHC. SHC granted stay order against the order of the Collector of Customs and issued notices for the hearing.</p> <p>During the year, the SHC vide its order dated October 12, 2021 has disposed off the case with directions to the Appellate Tribunal to decide the pending appeal within sixty days. The SHC further directed that the respondents shall not take any coercive action against the Company in respect of the impugned demand till the conclusion of the appeal. The case was decided against IIL by the Custom Appellate Tribunal. Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the SHC. The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.</p>	Sindh High Court	Collector of Customs	October 10, 2020

Description of factual basis of the proceeding and relief sought	Name of court	Principal parties	Date instituted
<p>ISL</p> <p>26.1.4A petition was filed before the SHC seeking order for the issuance of quota for concessionary import under SRO 565; release of 85,000 tons of HRC arrived at the Port in November 2019 and for future shipments.</p> <p>SHC granted release of 85,000 tons of HRC against submission of bank guarantee for the differential amount of duty & taxes amounting to Rs. 1,651 million. In a separate order, SHC instructed the authorities to allow provisional quota subject to submission of bank guarantee for the difference of duty & taxes. As ordered, the Input-Output Co-efficient Organisation (IOCO) is issuing quota equivalent to ordered/shipped quantity of raw material on case to case basis.</p>	Sindh High Court	I.S.L. vs Federation of Pakistan / Director IOCO / The Chief Collector (South)	November 4, 2019

26.1.5 Share of contingent liabilities incurred jointly with other investors of PCL on account of tax related matters and bank guarantees given to various parties for contract performance amounted to Rs. 218.06 million (2022: Rs. 218.06 million).

26.2 Commitments

Holding Company and ISL

26.2.1 Capital expenditure commitments outstanding as at June 30, 2023 amounted to Rs. 183.42 million (2022: Rs. 273.74 million).

26.2.2 Commitments under letters of credit for raw materials and stores and spares as at June 30, 2023 amounted to Rs. 9,753.07 million (2022: Rs. 3,593.96 million).

26.2.3 Facilities for opening letters of credit and guarantees from banks as at June 30, 2023 amounted to Rs. 53,100 million (2022: Rs. 45,000 million) and Rs. 11,334 million (2022: Rs. 10,440 million) respectively, of which the unutilised balance at year-end amounted to Rs. 43,163 million (2022: Rs. 41,134 million) and Rs. 7,872 million (2022: Rs. 1,434 million) respectively.

Holding Company

26.2.4 Commitments under purchase contracts as at June 30, 2023 amounted to Rs. 832.20 million (2022: Rs. 685.8 million).

ISL

26.2.5 Post-dated cheques issued in favour of Collector of Customs for the concession availed on account of special rate of duties and taxes on import of Hot Rolled Coils under SRO 565 and manufacturing bond as at June 30, 2023 amounted to Rs. 2,152 million (2022: Rs. 3,479 million).

27. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	(Rupees in '000)	
Sale of goods less returns		
Local	97,181,223	111,141,857
Sales tax	(14,280,162)	(16,073,473)
Trade discounts	(2,873,357)	(3,191,377)
	80,027,704	91,877,007
Export	20,893,426	29,902,881
Export commission & discounts	(183,968)	(39,817)
	20,709,458	29,863,064
	100,737,162	121,740,071

27.1 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

Primary geographical markets:

	2023	2022
	(Rupees in '000)	
Local	80,027,703	91,877,007
Asia	4,660,664	7,552,602
Europe	1,477,162	3,564,885
Australia	3,940,010	5,588,075
Africas	93,198	700,836
Americas	10,538,425	12,456,666
	100,737,162	121,740,071
Major Product Lines:		
Steel products	97,259,269	119,089,456
Polymer products	3,477,893	2,650,615
	100,737,162	121,740,071

28. COST OF SALES

	Note	2023	2022
		(Rupees in '000)	
Raw material consumed			
Opening stock of raw material		15,436,789	7,935,726
Purchases		68,204,108	109,501,893
		83,640,897	117,437,619
Closing stock of raw material	9	(12,615,638)	(15,436,789)
		71,025,259	102,000,830

	Note	2023	2022
(Rupees in '000)			
Manufacturing overheads			
Salaries, wages and benefits	28.1	1,942,974	2,010,416
Electricity, gas and water		2,066,940	1,976,985
Depreciation and amortisation	4.1.1 & 6.1.2	2,023,140	1,830,420
Operational supplies and consumables		318,188	291,963
Repairs and maintenance		305,243	290,635
Sundries		224,924	42,518
Provision for receivable against short shipment	12.2	150,000	-
Vehicle, travel and conveyance		140,988	83,788
Security and janitorial		94,552	74,045
Computer stationary and software support fees		86,561	29,275
Internal material handling		73,456	68,688
Insurance		48,978	44,122
Postage, telephone and stationery		32,660	19,482
Provision for capital spares		27,468	26,231
Toll manufacturing		14,249	-
Rent, rates and taxes		11,796	4,335
Environment controlling expense		7,024	7,356
Provision for net realisable value written down		(7,819)	77,127
		<u>7,561,322</u>	<u>6,877,386</u>
		<u>78,586,581</u>	<u>108,878,216</u>
Work-in-process			
Opening stock		6,833,793	3,298,071
Closing stock	9	(1,623,223)	(6,833,793)
Cost of goods manufactured		<u>5,210,570</u>	<u>(3,535,722)</u>
		<u>83,797,151</u>	<u>105,342,494</u>
Finished goods, by-products and scrap			
Opening stock		11,562,069	11,536,182
Purchases		2,866,674	47,567
Closing stock	9	(12,792,676)	(11,562,069)
		<u>1,636,067</u>	<u>21,680</u>
		<u>85,433,218</u>	<u>105,364,174</u>

28.1 These include Rs. 34.46 million (2022: Rs. 31.66 million) in respect of contribution to the Provident Funds, Rs. 63.83 million (2022: Rs. 56.44 million) in respect of the Gratuity Funds and Rs. 26.03 million (2022: Rs. 17.15 million) in respect of compensated absences.

29. SELLING AND DISTRIBUTION EXPENSES	Note	2023	2022
(Rupees in '000)			
Freight and forwarding		1,860,774	3,708,746
Salaries, wages and benefits	29.1	390,149	370,127
Advertising and sales promotion		137,354	212,841
Vehicle, travel and conveyance		91,340	52,107
Depreciation and amortisation	4.1.1, 5.1.1 & 6.1.2	38,375	35,233
Insurance		25,580	24,820
Postage, telephone and stationery		13,990	10,834
Rent, rates and taxes		9,421	3,590
Electricity, gas and water		9,289	6,836
Certification and registration charges		2,414	4,561
Repairs and maintenance		1,041	996
Office supplies		22	57
Others		69,641	26,112
		2,649,390	4,456,860

29.1 These include Rs. 9.12 million (2022: Rs. 9.26 million) in respect of contribution to the Provident Funds, Rs. 9.04 million (2022: Rs. 7.86 million) in respect of the Gratuity Funds and Rs. 1.99 million (2022: Rs. 2.86 million) in respect of compensated absences.

30. ADMINISTRATIVE EXPENSES	Note	2023	2022
(Rupees in '000)			
Salaries, wages and benefits	30.1	506,759	440,762
Legal and professional charges		107,495	136,141
Depreciation and amortisation	4.1.1, 5.1.1 & 6.1.2	38,316	30,794
Vehicle, travel and conveyance		36,791	28,202
Postage, telephone and stationery		14,720	10,783
Certification and registration charges		13,469	16,817
Electricity, gas and water		4,873	5,304
Insurance		4,230	4,415
Entertainment		3,553	11,874
Repairs and maintenance		2,642	2,263
Rent, rates and taxes		1,714	1,625
Office supplies		1,583	829
Others		62,761	40,973
		798,905	730,782

30.1 These include Rs. 14.11 million (2022: Rs. 13.18 million) in respect of contribution to the Provident Funds, Rs. 16.14 million (2022: Rs. 12.76 million) in respect of the Gratuity Funds and Rs. 3.47 million (2022: Rs. 0.48 million) in respect of compensated absences.

31. FINANCE COST

	Note	2023	2022
(Rupees in '000)			
Conventional:			
- Interest on long-term financing		264,459	257,203
- Interest on short-term borrowings		2,716,265	1,388,725
Islamic:			
- Mark-up on long-term financing		591,993	394,527
- Mark-up on short-term borrowings		294,956	271,578
Bank charges		99,203	84,686
Unwinding of Gas Infrastructure Development Cess		97,497	99,025
Interest on Workers' Profit Participation Fund	22.5	5,680	7,065
Interest on lease liabilities	5.2.1	3,606	1,351
Exchange gain on borrowings		(49,223)	-
		4,024,436	2,504,160

32. OTHER OPERATING CHARGES

Workers' Profit Participation Fund	22.5	333,337	505,128
Workers' Welfare Fund		84,166	208,189
Donations	32.1	71,485	93,090
Business development expenses		32,527	1,668
Auditors' remuneration	32.2	8,822	8,654
		530,337	816,729

32.1 Donations

32.1.1 Donations to the following organization exceed 10 % of total amount of donations made or Rs. 1 million which ever is higher.

	2023	2022
(Rupees in '000)		
SINA Health, Education and Welfare Trust	-	12,000
The Citizen Foundation	7,400	6,800
Amir Sultan Chinoy Foundation	48,550	30,700
The Indus Hospital	-	5,000
Sindh Institute of Urology and Transplantation	-	10,000
Habib University Foundation	-	10,000
The Kidney Centre	-	5,000
NED University of Engineering and Technology	-	590
Patients Behbud Society - AKUH	-	2,000
Layton Rahmatullah Benevolent Trust	-	2,000
The Hunar Foundation	-	2,000
	55,950	86,090

32.2 Auditors' remuneration

Audit services	2023	2022
	(Rupees in '000)	
Audit fee	4,757	5,122
Half yearly review	1,085	909
Out of pocket expenses	1,288	1,087
	7,130	7,118
Non-audit services		
Certifications for regulatory purposes	1,692	1,536
	8,822	8,654

33. OTHER (LOSSES) / INCOME - NET

Note	2023	2022
	(Rupees in '000)	
Income from financial assets		
Income on bank deposits - conventional	109,117	31,252
Government grant	29,099	54,711
Net foreign exchange (losses) / gains	(354,241)	284,082
Income from non-financial assets		
Gain on disposal of property, plant and equipment	72,822	108,674
Gain on remeasurement of Gas Infrastructure Development Cess	27,278	63,552
Rental income	8,816	2,778
(Loss) / income from power generation	(38,293)	(11,723)
Gain on termination of lease	-	698
Insurance claim	-	2,348
Others	23,676	38,384
	(121,726)	574,756

33.1 Loss from power generation

Revenue		482,160	473,867
Cost of electricity produced:			
Salaries, wages and benefits	33.1.1	(36,695)	(40,296)
Electricity, gas and water		(930,848)	(1,192,396)
Insurance		(147)	(82)
Depreciation	4.1.1	(187,720)	(123,788)
Operational supplies and consumables		(30,130)	(25,536)
Repairs and maintenance		(47,710)	(45,602)
Sundries		(1,695)	(6,344)
		(1,234,945)	(1,434,044)
Self consumption		714,492	948,454
Loss from power generation		(38,293)	(11,723)

33.1.1 These include Rs. 0.92 million (2022: Rs. 0.86 million) in respect of contribution to the Provident Funds, Rs. 3.11 million (2022: Rs.1.18 million) in respect of the Gratuity Funds and Rs. 0.44 million (2022: Rs. 0.18 million) in respect of compensated absences.

33.1.2 The Holding Company and ISL have power generation facilities at their premises. The Holding Company and ISL have generated electricity in excess of its requirements which is supplied to K-Electric Limited under respective agreements.

34. INCOME TAX EXPENSE

	Note	2023	2022
		(Rupees in '000)	
Current			
- for the year	34.1	2,748,361	4,446,721
- for prior years		(330,285)	-
		2,418,076	4,446,721
Deferred		207,327	(611,712)
		<u>2,625,403</u>	<u>3,835,009</u>

34.1 This includes super tax of Rs. 732.80 million (2022: Rs. 1,115.08 million) as imposed by the Finance Act, 2022.

34.2 Relationship between income tax expense and accounting profit

	2023	2022	2023	2022
	Effective tax rate (%)		(Rupees in '000)	
Profit before income tax			7,234,060	8,569,357
Tax at the enacted rate	29.00	29.00	2,112,713	2,485,114
Tax effect of :				
Income subject to final tax regime	(7.15)	(1.22)	(517,091)	(104,317)
Income taxed as separate block of income	3.46	3.41	250,650	292,389
Super tax	10.13	13.01	732,801	1,115,078
Write off of minimum tax	-	3.73	-	319,486
Tax credit	(0.14)	(0.19)	(10,273)	(16,174)
Prior year	(4.59)	-	(331,738)	-
Change in Normal Tax Regime ratio	4.57	(3.50)	330,907	(299,574)
Permanent differences	(0.01)	0.01	(571)	1,253
Others	(0.07)	0.12	(5,035)	10,078
Consolidation adjustments	0.87	0.37	63,040	31,677
	<u>36.07</u>	<u>44.74</u>	<u>2,625,403</u>	<u>3,835,009</u>

35. EARNINGS PER SHARE - BASIC AND DILUTED	Note	2023	2022
		(Rupees in '000)	
Profit for the year attributable to owners of the Holding Company		3,080,288	2,424,585
Weighted average number of ordinary shares outstanding during the year	14	(Number)	
		131,881,881	131,881,881
		(Rupees)	
Earnings per share - basic and diluted		23.36	18.38

35.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2023 and 2022.

36. CASH GENERATED FROM / (USED IN) OPERATIONS

	Note	2023	2022
		(Rupees in '000)	
Profit before income tax		7,234,060	8,569,357
Adjustments for:			
Depreciation of property, plant and equipment	4.1.1	2,274,577	2,010,533
Depreciation of right-of-use assets	5.1	9,090	8,449
Amortisation of intangible assets	6	1,767	1,253
Charge of loss allowance on trade debts	10.3	51,910	38,394
(Increase) / decrease in provision for net realisable value write down	28	(7,819)	77,127
Provision for capital spares	4.3	27,468	26,231
Provision for staff retirement benefits	20.2.8	91,690	77,352
Provision for compensated absences		32,460	24,619
Income on bank deposits	33	(109,117)	(31,252)
Gain on disposal of property, plant and equipment	33	(72,822)	(108,674)
Government grant income	33	(29,099)	(54,711)
Gain on remeasurement of Gas Infrastructure Development Cess	33	(27,278)	(63,552)
Unwinding of Gas Infrastructure Development Cess	31	97,497	99,025
Gain on termination of lease	33	-	(698)
Share of profit from equity accounted investee	7	(106,820)	(165,629)
Finance cost		3,926,939	2,405,135
		13,394,503	12,912,959
Changes in working capital	36.1	19,014,299	(14,249,352)
		32,408,802	(1,336,393)

36.1 CHANGES IN WORKING CAPITAL

Note

2023 2022

(Rupees in '000)

(Increase) / decrease in current assets:		
Stores and spares	(58,395)	(360,026)
Stock-in-trade	13,949,670	(15,287,841)
Trade debts	2,201,714	(1,609,074)
Advances, trade deposit and prepayments	29,917	1,818,548
Other receivables	29,677	(56,719)
Sales tax receivable	611,442	(19,735)
	16,764,025	(15,514,847)
Increase / (decrease) in current liabilities:		
Trade and other payables	2,082,954	176,943
Contract liabilities	167,320	1,088,552
	19,014,299	(14,249,352)

37. CASH AND CASH EQUIVALENTS

Cash and bank balances	13	2,411,238	1,218,770
Running finance under mark-up arrangement from banks	24	(1,655,847)	(4,558,025)
Short-term borrowing under Money Market scheme within three months	24	(3,251,191)	(8,270,000)
Term Musharakah maturing within three months		-	(1,700,000)
Short-term borrowing under running Musharakah within three months	24	(376,029)	(6,432,067)
		(2,871,829)	(19,741,322)

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	----- (Rupees in '000) -----					
Managerial Remuneration	24,584	22,909	-	-	484,429	413,734
Bonus	8,195	7,636	-	-	140,507	134,807
Variable performance pay	9,275	5,250	-	-	138,954	41,181
Retirement benefits	5,204	1,908	-	-	49,054	43,610
Rent, utilities allowance etc.	17,316	23,343	-	-	252,615	213,935
Ex Gratia	-	-	-	-	1,612	2,181
Directors' fee	-	-	9,225	8,550	-	-
	64,574	61,046	9,225	8,550	1,067,171	849,448
Number of persons	1	1	9	9	139	131

38.1 The Chief Executive, directors and certain executives are provided with free use of Company maintained vehicles & Chief Executive of Holding Company is provided with security guard in accordance with the Company's policy.

38.2 Fee paid to 9 (2022: 9) non-executive directors were Rs. 9.2 million (2022: Rs. 8.6 million) on account of meetings attended by them.

38.3 Reimbursement of Holding Company's chairman expense was Rs. 1.7 million (2022: Rs. 5.6 million).

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

a) Financial risk management

The Board of Directors of respective group entities have overall responsibility for the establishment and oversight of the risk management framework for the respective group entity. Each group entity has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

b) Risk management framework

The Board of Directors of respective group entities meet frequently throughout the year for developing and monitoring the risk management of the respective group entity. The risk management policies are established for each group entity to identify and analyse the risks faced by the respective entity, to set appropriate risk limits and controls and to monitor risks including adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the respective group entity's activities. Each group entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the respective group entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group entity.

39.1 Credit risk

Credit risk is the risk of financial loss to a group entity if a customer or counterparty to a financial instrument fails to meet its contractual obligation without considering fair value of collateral available there against.

39.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at reporting date is as follows:

	Note	2023	2022
		(Rupees in '000)	
- Long-term deposit		4,077	2,427
- Trade debts - net of provision	10	5,327,874	6,853,083
- Trade deposits	11	32,288	47,788
- Other receivables	12	64,147	78,505
- Bank balances	13	2,364,168	1,051,695
		7,792,554	8,033,498

The group entities do not take into consideration the value of collateral while testing financial assets for impairment. The group entities consider the credit worthiness of counter parties as part of their risk management.

Long-term deposits

These represent long-term deposits with various parties for the purpose of securing supplies of raw materials and services. No credit exposure is foreseen there against as the amounts are paid to counter parties as per the agreement and are refundable on termination of agreement with respective counterparties.

Trade debts

The exposure to credit risk of each group entity arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers of the respective group entities have been transacting with them for several years. The Holding Company and ISL establish an allowance for impairment that represents its estimate of incurred losses.

Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management of group entities does not expect to incur credit loss there against.

Other Receivables

These mainly include receivable from K-Electric Limited (KE) on account of electricity provided to it from the 4 MW and 18 MW plant located at factory sites of the Holding Company and Subsidiary Company respectively under an agreement. The Group does not expect to incur credit loss these receivables.

Analysis of gross amounts receivable from local and foreign trade debtors and from KE are as follows:

	2023	2022
	(Rupees in '000)	
Domestic	2,752,454	3,312,963
Export	2,772,838	3,743,869
	<u>5,525,292</u>	<u>7,056,832</u>

39.1.2 Impairment losses

The aging of trade debtors and amounts receivable from KE at the reporting date was as follows:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
0-30 Days	5,051,751	2,942	5,084,678	2,110
31-60 Days	100,185	271	982,092	321
61-90 Days	58,883	468	514,187	757
91-120 Days	24,392	458	282,347	1,758
121-150 Days	20,541	1,098	10,882	278
151-180 Days	20,684	1,647	15,102	1,202
181-210 Days	26,368	4,501	16,104	1,391
211-240 Days	68,939	20,374	10,676	1,704
241-270 Days	7,648	2,682	8,082	3,001
271-300 Days	1,393	614	3,118	1,965
301-330 Days	761	482	8,016	7,624
331-360 Days	4,668	4,137	26,319	25,992
Over 1 year	139,079	139,206	95,229	95,229
Total	<u>5,525,292</u>	<u>178,880</u>	<u>7,056,832</u>	<u>143,332</u>

Management of the Group entities believes that the unimpaired balances that are past dues are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating agency	Rating	
		Short Term	Long Term
Habib Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
Bank AL Habib Limited	PACRA	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+
Allied Bank Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Samba Bank Limited	VIS	A-1	AA
Soneri Bank Limited	PACRA	A-1+	AA-
Dubai Islamic Bank Limited	VIS	A-1+	AA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
MCB Islamic Bank Limited	PACRA	A-1	A
National Bank of Pakistan	PACRA	A-1+	AAA
Bank Islami Pakistan Limited	PACRA	A-1	AA-
Industrial & Commercial Bank of China	Moody's	P-1*	A-2
TD Canada Trust	S&P	A-1+	AA-
Commonwealth Bank of Australia	Fitch	F1	A+

39.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of Group entities' performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

39.2 Liquidity risk

Liquidity risk is the risk that a group entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that group entity could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The approach of group entities to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's or group's reputation. The group entities ensure that they have sufficient liquidity including credit lines to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

2023					
Contractual cashflows					
	Carrying amount	Six months or less	Six to twelve months	One to five years	More than five years
----- (Rupees in '000) -----					
Non-derivative financial liabilities					
Long-term financing	5,996,403	(741,378)	(381,269)	(3,791,731)	(1,421,440)
Trade and other payables	10,036,255	(10,036,255)	-	-	-
Accrued mark-up	584,396	(584,396)	-	-	-
Short-term borrowings	11,041,530	(11,041,530)	-	-	-
Lease liabilities	15,839	(15,839)	-	-	-
Unclaimed dividend	56,173	(56,173)	-	-	-
	27,730,596	(22,475,571)	(381,269)	(3,791,731)	(1,421,440)

2022					
Contractual cashflows					
	Carrying amount	Six months or less	Six to twelve months	One to five years	More than five years
----- (Rupees in '000) -----					
Non-derivative financial liabilities					
Long-term financing	6,623,734	(1,651,683)	(1,480,724)	(4,244,937)	(678,088)
Trade and other payables	6,630,648	(6,630,648)	-	-	-
Accrued mark-up	551,040	(551,040)	-	-	-
Short-term borrowings	29,996,873	(29,996,873)	-	-	-
Lease liabilities	24,429	(24,429)	-	-	-
Unclaimed dividend	50,297	(50,297)	-	-	-
	43,877,021	(38,904,970)	(1,480,724)	(4,244,937)	(678,088)

39.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rates of mark-up have been disclosed in respective notes to these consolidated financial statements.

39.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Group entities to repay the respective loans earlier than as directed in the above table.

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect a group entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Group entities are exposed to currency risk and interest rate risk only.

39.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Group is exposed to currency risk on trade debts, borrowings, trade and other payables, bank balances and accrued mark-up that are denominated in a currency other than the functional currency of the Group. The Group's exposure to foreign currency risk is as follows:

	2023					
	Rupees	US Dollars	Australian Dollars	Euro	Canadian Dollars	Yuan
	----- (Rupees in '000) -----					
Financial assets						
Bank Balance	1,020,156	2,869	-	-	-	-
Trade debts	2,772,838	3,502	6,180	-	7,672	-
Financial liabilities						
Trade and other payables	(1,454,594)	(16,395)	-	(71)	-	(286)
Net exposure	2,338,400	(10,024)	6,180	(71)	7,672	(286)

	2022					
	Rupees	US Dollars	Australian Dollars	Euro	Canadian Dollars	Yuan
	----- (Rupees in '000) -----					
Financial assets						
Bank Balance	607,548	2,315	357	-	536	-
Trade debts	3,743,869	5,978	10,413	-	6,688	-
Financial liabilities						
Trade and other payables	(2,066,272)	(9,563)	(724)	(36)	-	-
Net exposure	2,285,145	(1,270)	10,046	(36)	7,224	-

The following significant exchange rates applicable during the year:

	Reporting date rate	
	2023	2022
	Buying/Selling	Buying/Selling
US Dollars (USD) to Pakistan Rupee	286.18 / 286.60	204.17 / 204.59
Australian Dollars (AUD) to Pakistan Rupee	192.21 / 192.49	140.66 / 140.93
Euro to Pakistan Rupee	312.84 / 313.29	213.59 / 214.03
Canadian Dollars (CAD) to Pakistan Rupee	218.11 / 218.41	158.29 / 158.60
Yuan to Pakistan Rupee	39.68 / 39.73	30.51 / 30.57

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD, AUD, Euro, CAD and Yuan at June 30, would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same for both the years. However, current year amount is net of corporate tax while there is no impact of corporate tax on the prior as income was subject to minimum tax.

	Effect on Unconsolidated Statement of Profit or Loss	
	2023	2022
	(Rupees in '000)	
Effect in USD	(163,127)	(14,936)
Effect in AUD	67,387	80,152
Effect in Euro	(1,262)	(437)
Effect in CAD	94,929	64,870
Effect in Yuan	(645)	-

39.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

At the reporting date the interest rate profile of the Group's interest-bearing financial instrument is:

	2023	2022
		(Rupees in '000)
Fixed rate instruments		
Financial liabilities	7,946,052	12,004,488
Variable rate instruments		
Financial liabilities	8,885,289	24,778,275

Fair value sensitivity analysis for fixed rate instruments

The group entities do not account for any fixed rate financial assets and liabilities at fair value through the profit or loss. Therefore a change in interest rates at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by Rs. 48.47 million (2022: Rs. 167.6 million) with corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years. However, current year amount is net of corporate tax while there is no impact of corporate tax on prior year as income was subject to minimum tax.

Fair value sensitivity analysis for fixed rate instruments

The Group do not account for any fixed rate financial assets and liabilities at fair value through the Consolidated Statement of Profit or Loss. Therefore a change in interest rates at the reporting date would not affect the Consolidated Statement of Profit or Loss.

39.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2023			
	Short-term borrowings	Long-term financing	Unappropriated profit	Total
----- (Rupees in '000) -----				
Balance at beginning of the year	30,503,264	6,668,383	12,699,443	49,871,090
Changes from financing cash flows				
Repayment of long-term loan	-	(4,036,625)	-	(4,036,625)
Proceeds from long-term loan	-	3,389,690	-	3,389,690
Dividend paid	-	-	(2,935,348)	(2,935,348)
Total changes from financing activities	-	(646,935)	(2,935,348)	(3,582,283)
Other changes				
Interest expense	3,011,221	856,452	-	3,867,673
Interest paid	(3,260,965)	(563,243)	-	(3,824,208)
Deferred government grant recognised	-	9,495	-	9,495
Changes in short-term borrowings	(18,955,343)	-	-	(18,955,343)
Total loan related other changes	(19,205,087)	302,704	-	(18,902,383)
Equity related other changes	-	-	4,511,550	4,511,550
Balance at end of the year	11,298,177	6,324,152	14,275,645	31,897,974

	2022			
	Short-term borrowings	Long-term financing	Unappropriated profit	Total
----- (Rupees in '000) -----				
Balance at beginning of the year	17,063,484	8,201,221	11,365,899	36,630,604
Changes from financing cash flows				
Repayment of long-term loan	-	(2,359,506)	-	(2,359,506)
Proceeds from long-term loan	-	975,360	-	975,360
Dividend paid	-	-	(2,824,886)	(2,824,886)
Total changes from financing activities	-	(1,384,146)	(2,824,886)	(4,209,032)
Other changes				
Interest expense	1,660,303	651,730	-	2,312,033
Interest paid	(1,239,560)	(585,790)	-	(1,825,350)
Deferred government grant recognised	-	(214,632)	-	(214,632)
Changes in short-term borrowings	13,019,037	-	-	13,019,037
Total loan related other changes	13,439,780	(148,692)	-	13,291,088
Equity related other changes	-	-	4,158,430	4,158,430
Balance at end of the year	30,503,264	6,668,383	12,699,443	49,871,090

39.5 Price risks

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The group entities have no exposure to price risk as its investments are measured at cost.

39.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the Consolidated Statement of Financial Position approximate their fair values.

39.7 Financial instruments by categories

	Note	2023	2022
(Rupees in '000)			
Financial assets			
Held at amortised cost			
- Long-term deposit		4,077	2,427
- Trade debts - net of provision	10	5,327,874	6,853,083
- Trade deposits	11	32,288	47,788
- Other receivables	12	95,339	121,355
- Cash and bank balances	13	2,364,168	1,218,131
		7,823,746	8,242,784

	Note	2023	2022
(Rupees in '000)			
Financial liabilities			
Held at amortised cost			
- Long-term financing	17	5,996,403	6,623,734
- Trade and other payables	22	10,036,255	6,630,648
- Accrued mark-up		584,396	551,040
- Short-term borrowings	24	11,041,530	29,996,873
- Unclaimed dividend		56,173	50,297
		27,714,757	43,852,592

39.8 None of the financial assets and liabilities are offset in the Consolidated Statement of Financial Position.

40. CAPITAL MANAGEMENT

The objective of group entities when managing capital is to safeguard its ability to operate as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The group entities intend to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

41. MEASUREMENT OF FAIR VALUES

A number of the accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) with sufficient regularity and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided upon by managements of group entities. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, Group entities uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Group entities measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 3.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Group's Land and Buildings measured at fair value:

Assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
- Land and Buildings	June 30, 2022	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair values are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

Management of the Group entities assessed that the fair values of cash and cash equivalents, other receivable, trade deposits, trade receivables, short-term borrowings, trade and other payables, accrued mark-up and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates. Fair value of investment in equity accounted investee is disclosed in note 7 to these consolidated financial statements.

42. TRANSACTIONS WITH RELATED PARTIES

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

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

42.1 Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements, are as follows:

	2023	2022
	(Rupees in '000)	
Associated companies		
Sales	2,843,870	2,412,774
Purchases	35,846,446	57,537,852
Insurance premium	3,207	24,609
Insurance claim	207	1,318
Rent income	2,901	2,779
Dividend paid	303,368	364,533
Dividend received	39,601	63,971
Registration and training	230	2,523
Services	-	34,323
Reimbursement of expenses	12,340	2,104
Subscription	2,500	2,000
Donation	42,526	-

	2023	2022
	(Rupees in '000)	
Key management personnel		
Remuneration	317,320	663,181
Non-executive directors		
Directors' fee	9,225	8,550
Reimbursement of Chairman's expenses	1,650	5,617
Staff retirement funds		
Contributions paid	123,937	229,791

The following are the related parties with whom the Group had entered into transaction or have arrangement / agreement in place:

Name of the related party	Relationship and percentage of shareholding
Pakistan Cables Limited	Associated company - 17.12% (2022:17.12%) shareholding
Sumitomo Corporation	Associated company - 9.08% (2022: 9.08%) shareholding in ISL
Jubilee Life Insurance Company Limited*	Associated company by virtue of common directorship
The Pakistan Business Council	Associated company by virtue of common directorship
Lahore University of Management Sciences	Associated company by virtue of common directorship
German Pakistan Chamber of Commerce and Industry	Associated entity by virtue of common directorship
Landhi Association of Trade & Industry	Associated company by virtue of common directorship
Employers' Federation of Pakistan	Associated company by virtue of common directorship
Amir Sultan Chinoy Foundation	Associated company by virtue of common directorship
Karwan-e-Hayat	Associated company by virtue of common directorship
Lucky Core Industries Limited (ICI Pakistan)	Associated company by virtue of common directorship
Intermark (Private) Limited	Associated company by virtue of common directorship

* During the year, Jubilee Life Insurance Company Limited ceased to be related party.

42.2 Outstanding balances with related parties have been separately disclosed in trade debts, advances, deposits and prepayments and trade and other payables respectively. These are settled in ordinary course of business.

43. ANNUAL PRODUCTION CAPACITY

	2023	2022
	(Metric Tonnes)	
The production capacity at the year end was as follows:		
Holding company		
Steel pipe	585,000	585,000
Galvanizing	90,000	90,000
Cold rolled steel strip	50,000	50,000
Polymer pipes and fittings	35,000	35,000
Stainless steel - pipe	4,800	4,800

	2023	2022
	(Metric Tonnes)	
Subsidiary company - International Steels Limited		
Galvanising	462,000	462,000
Cold rolled steel strip	1,000,000	1,000,000
Cold rolled annealed	454,000	454,000
Cold rolled full hard	46,000	46,000
Colour coated	84,000	84,000
The actual production for the year was as follows:		
Holding company		
Steel pipe	78,030	144,539
Galvanizing pipe	29,373	64,230
Polymer pipes & fittings	7,071	7,582
Stainless steel - pipe	1,147	1,867
Subsidiary company - International Steels Limited		
Galvanising	154,006	213,200
Cold rolled steel strip	135,270	441,013
Colour coated	14,268	17,037

Actual production during the year was sufficient to meet the market demand.

The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix was different.

44. SEGMENT REPORTING

Performance is measured based on respective segment results. Information regarding the reportable segments specified in note 3.17 is presented below.

44.1 Segment revenue and results

	2023				
	Steel coils & sheets segment	Steel pipes segment	Polymer segment	Investment segment	Total
----- (Rupees in '000) -----					
For the year ended June 30, 2023					
Revenue from contracts with customers					
Local	57,974,454	18,575,357	3,477,893	-	80,027,704
Exports	12,150,683	8,558,775	-	-	20,709,458
	70,125,137	27,134,132	3,477,893	-	100,737,162
Cost of sales	(59,569,619)	(23,029,660)	(2,833,939)	-	(85,433,218)
Gross profit	10,555,518	4,104,472	643,954	-	15,303,944
Selling and distribution expenses	(986,410)	(1,553,867)	(109,113)	-	(2,649,390)
Administrative expenses	(389,057)	(383,063)	(26,785)	-	(798,905)
Charge of loss allowance on trade debts	-	(58,653)	6,743	-	(51,910)
	(1,375,467)	(1,995,583)	(129,155)	-	(3,500,205)
Finance cost	(2,260,063)	(1,539,512)	(224,861)	-	(4,024,436)
Other operating charges	(442,458)	(67,582)	(20,297)	-	(530,337)
	(2,702,521)	(1,607,094)	(245,158)	-	(4,554,773)
Other income	(1,336,030)	1,214,304	-	-	(121,726)
Share of loss in equity accounted investee - net of tax	-	-	-	106,820	106,820
Profit before income tax	5,141,499	1,716,099	269,641	106,820	7,234,060
Taxation					(2,625,403)
Profit after tax for the year					<u>4,608,657</u>

	2022				
	Steel coils & sheets segment	Steel pipes segment	Polymer segment	Investment segment	Total
----- (Rupees in '000) -----					
For the year ended June 30, 2022					
Revenue from contracts with customers					
Local	65,134,785	24,091,607	2,650,615	-	91,877,007
Exports	17,978,014	11,885,050	-	-	29,863,064
	83,112,799	35,976,657	2,650,615	-	121,740,071
Cost of sales	(70,914,219)	(32,019,791)	(2,430,164)	-	(105,364,174)
Gross profit	12,198,580	3,956,866	220,451	-	16,375,897
Selling and distribution expenses	(1,600,286)	(2,763,690)	(92,884)	-	(4,456,860)
Administrative expenses	(339,808)	(375,778)	(15,196)	-	(730,782)
Charge of loss allowance on trade debts	-	(643)	(37,751)	-	(38,394)
	(1,940,094)	(3,140,111)	(145,831)	-	(5,226,036)
Finance cost	(1,321,258)	(1,100,153)	(82,749)	-	(2,504,160)
Other operating charges	(690,492)	(126,237)	-	-	(816,729)
	(2,011,750)	(1,226,390)	(82,749)	-	(3,320,889)
Other income	(431,847)	1,006,603	-	-	574,756
Share of loss in equity accounted investee - net of tax	-	-	-	165,629	165,629
Profit before income tax	7,814,889	596,968	(8,129)	165,629	8,569,357
Taxation					(3,835,009)
Profit after tax for the year					4,734,348

44.2 Segment assets and liabilities

	Steel coils & sheets segment	Steel pipes segment	Polymer segment	Investment segment	Total
----- (Rupees in '000) -----					
As at June 30, 2023					
Segment assets	42,063,322	27,475,893	2,260,191	1,855,464	73,654,870
Segment liabilities	20,519,864	14,783,068	975,375	-	36,278,307
As at June 30, 2022					
Segment assets	55,565,427	28,756,037	2,755,839	1,238,598	88,315,901
Segment liabilities	34,091,155	16,674,831	1,151,798	-	51,917,784

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

	2023	2022
(Rupees in '000)		
Total for reportable segments assets	73,654,870	88,315,901
Unallocated assets	1,716,969	943,754
Total assets as per Consolidated Statement of Financial Position	75,371,839	89,259,655
Total for reportable segments liabilities	36,278,307	51,917,784
Unallocated liabilities	3,827,625	3,942,316
Total liabilities as per Consolidated Statement of Financial Position	40,105,932	55,860,100

44.3 Segment revenues reported above are revenues generated from external customers. There were no inter-segment sales during the year.

44.4 Segment assets reported above comprise of property, plant and equipment, stock-in-trade and trade debts. These assets are identified based on the operations of the segment and remaining assets and liabilities are presented as unallocated assets and liabilities.

44.5 Additions to non-current assets in relation to steel coils and sheets, steel pipes and polymer segments amounts to Rs. 1,831.97 million (2022: Rs. 1,831.97 million), Rs. 551.51 million (2022: Rs. 419.61 million), and Rs. 2.60 million (2022: Rs. 283.4 million) respectively.

44.6 Information about major customers

Revenue from major customers individually accounting for more than 10% of the segment revenue for steel pipes segment and polymer segment was Nil (2022: Rs. 4,318.4 million) and Rs. 1,134 million (2022: Nil) respectively.

44.7 Geographical information

The consolidated net revenue is from external customers by geographical location is disclosed in note 27.1.

44.8 Management considers that revenue from its ordinary activities are shariah compliant.

45. INTERESTS IN OTHER ENTITIES

45.1 Non-controlling interests

Set out below is summarised financial information of Subsidiary Company (ISL) which has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

	2023	2022
	(Rupees in '000)	
NCI Percentage (%)	43.6654%	43.6654%
Non-current assets	20,658,088	20,990,296
Current assets	21,733,494	34,914,760
Non-current liabilities	3,301,090	5,095,864
Current liabilities	17,406,611	29,213,103
Intercompany eliminations	141,034	122,503
Net assets attributable to non-controlling interests	9,406,738	9,376,528
Revenue	76,753,334	91,423,698
Expenses	73,234,545	86,011,508
Profit for the year	3,518,789	5,412,190
Profit attributable to non-controlling interests	1,528,369	2,309,763
Other comprehensive income attributable to non-controlling interests	(73,576)	528,901
Total comprehensive income attributable to non-controlling interests	1,454,793	2,838,664
Net cash (outflow) / inflow from operating activities	-	(3,453,241)
Net cash outflow from investing activities	-	(1,711,067)
Net cash outflow from financing activities	-	(2,082,025)

45.2 Associates

Details about the Holding Company's investment in associated company and summarised financial information are disclosed in note 7 to these consolidated financial statements

46. NUMBER OF EMPLOYEES

	2023	2022
	(Rupees in '000)	
Holding company		
Average number of employees during the year	938	947
Total employees at the year end	935	951
Subsidiary companies		
Average number of employees during the year	694	710
Total employees at the year end	688	710

47. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company, in their meeting held on August 23, 2023, has proposed a final cash dividend of Rs. 2.00 (2022: Rs. 6.00) per share amounting to Rs. 263.76 million (2022: Rs. 791.29 million) for the year ended June 30, 2023. The approval of the members of the Holding Company for the dividend shall be obtained at the Annual General Meeting to be held on September 27, 2023.

The Board of Directors of ISL in their meeting held on August 21, 2023 has proposed a final cash dividend of Rs. 2.50 (2022: Rs. 4.50) per share amounting to Rs. 1,087.5 million (2022: Rs. 1,957.5 million) for the year ended June 30, 2023. The approval of the members of ISL for the dividend shall be obtained at the Annual General Meeting to be held on September 26, 2023.

The Board of Directors of PCL in their meeting held on August 25, 2023 has proposed a final cash dividend of Rs. Nil (2022: Rs. 6.50) per share amounting to Rs. Nil (2022: Rs. 231.26 million) for the year ended June 30, 2023 of which proportionate share of the Holding Company amounts to Rs. Nil (2022: Rs. 39.6 million). The approval of the members of Pakistan Cables Limited for the dividend shall be obtained at the Annual General Meeting to be held on September 26, 2023.

These consolidated financial statements do not include the effect of the aforementioned proposed dividends which will be accounted for in the consolidated financial statements for the year ending June 30, 2024.

48. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue on August 23, 2023 by the Board of Directors of the Holding Company.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

STAKEHOLDERS INFORMATION



DIVIDEND



Dividend
Loss

Dividend
Loss

STAKEHOLDERS INFORMATION

OWNERSHIP

On June 30, 2023 there were 5,414 members on the record of the Company's ordinary shares.

DIVIDEND

The Board of Directors of the Company has recommended 20% final cash dividend for the year as per its Profit Appropriation Policy. The proposal shall be placed before the shareholders of the Company at the Annual General Meeting for their consideration and approval on September 27, 2023. The dividend amounts, if approved by the shareholders, shall be directly credited to their designated banks to the shareholders listed in the Company's members register at the close of business on September 19, 2023 and shall be subject to the Zakat and Tax deductions as per applicable law.

FINANCIAL CALENDAR

Results

Year ended June 30, 2023	Approved on August 23, 2023
	Announced on August 24, 2023
Third quarter ended March 31, 2023	Approved on April 28, 2023
	Announced on May 2, 2023
Half year ended December 31, 2022	Approved on January 31, 2023
	Announced on January 31, 2023
First quarter ended September 30, 2022	Approved on October 27, 2022
	Announced on October 28, 2022

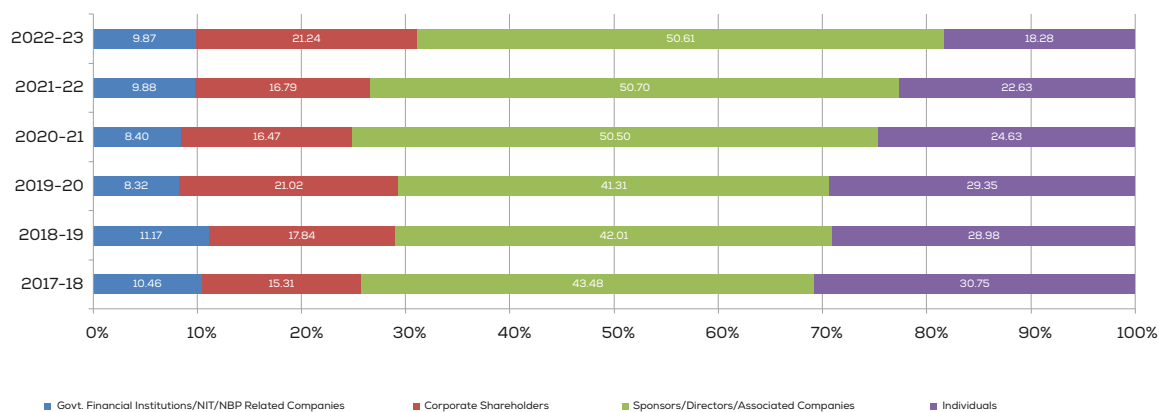
Dividends Paid

Interim – Cash (2023)	Approved on May 30, 2023
	Entitlement date June 9, 2023
	Statutory limit upto which payable June 22, 2023
	Paid on June 20, 2023
Final – Cash (2022)	Approved on September 30, 2022
	Entitlement date September 21, 2022
	Statutory limit upto which payable Oct 13, 2022
	Paid on October 12, 2022
Latest Annual Report Issued On 75th Annual General Meeting	September 5, 2023
	September 27, 2023

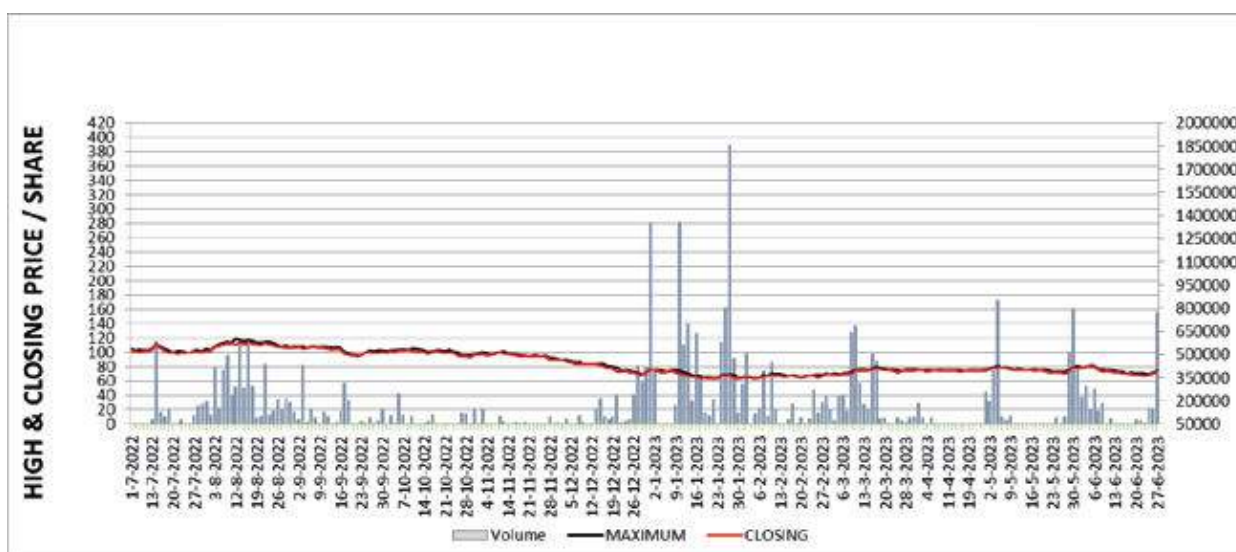
Tentative Dates of Financial Results 2023-24

For the Period	To be Announced on
1st Quarter	27-Oct-23
2nd Quarter	30-Jan-24
3rd Quarter	26-Apr-24
Annual Accounts	22-Aug-24

Shareholder Composition



IIL Share Prices - Trend v/s Volume Traded FY 2022-23



* Stock market was closed on account of Eid-ul-Azha holidays from June 28, 2023 till June 30, 2023

PATTERN OF SHAREHOLDING

As at June 30, 2023

No. of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
1,176	1	100	45,051	0.0342
1,220	101	500	383,218	0.2906
755	501	1,000	625,050	0.4739
1,299	1,001	5,000	3,190,628	2.4193
361	5,001	10,000	2,755,345	2.0893
143	10,001	15,000	1,770,038	1.3421
79	15,001	20,000	1,431,111	1.0851
61	20,001	25,000	1,386,224	1.0511
37	25,001	30,000	1,039,000	0.7878
25	30,001	35,000	824,743	0.6254
25	35,001	40,000	956,114	0.7250
18	40,001	45,000	778,618	0.5904
21	45,001	50,000	1,018,916	0.7726
12	50,001	55,000	628,953	0.4769
14	55,001	60,000	822,943	0.6240
5	60,001	65,000	316,826	0.2402
8	65,001	70,000	544,900	0.4132
6	70,001	75,000	439,387	0.3332
10	75,001	80,000	784,206	0.5946
15	80,001	90,000	1,267,316	0.9609
11	90,001	100,000	1,082,770	0.8210
17	100,001	120,000	1,882,320	1.4273
12	120,001	150,000	1,683,530	1.2765
14	150,001	200,000	2,439,112	1.8495
11	200,001	250,000	2,462,265	1.8670
6	250,001	300,000	1,694,143	1.2846
5	300,001	400,000	1,784,284	1.3529
3	400,001	500,000	1,301,266	0.9867
10	500,001	600,000	5,541,539	4.2019
5	600,001	700,000	3,199,622	2.4261
5	700,001	800,000	3,750,857	2.8441
1	80,001	1,000,000	912,264	0.6917
1	1,000,001	1,100,000	1,100,000	0.8341
2	1,100,001	1,300,000	2,517,573	1.9090
4	1,300,001	1,500,000	5,574,975	4.2272
1	1,500,001	1,600,000	1,507,088	1.1428
3	1,600,001	1,700,000	5,050,376	3.8295
1	1,700,001	1,900,000	1,882,600	1.4275
2	1,900,001	2,300,000	4,011,923	3.0421
2	2,300,001	2,800,000	5,452,269	4.1342
2	2,800,001	4,500,000	7,748,892	5.8756
2	4,500,001	5,000,000	9,298,015	7.0503
1	5,000,001	5,500,000	5,166,129	3.9172
1	5,500,001	6,000,000	5,882,183	4.4602
1	6,000,001	13,000,000	12,528,675	9.4999
1	13,000,001	15,500,000	15,418,623	11.6912
5,414	Company Total		131,881,880	100.0000

CATEGORIES OF SHAREHOLDERS

As at June 30, 2023

Particulars	No. of Shareholders	Share Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children	22	55,858,617	42.3550
Associated Companies	3	1,488,657	1.1288
Govt. Financial Institutions/NIT / NBP Related Companies	14	13,799,497	10.4635
Banks, Development Financial Institutions, Non Banking Financial Institutions	9	5,284,026	4.0066
Insurance Companies	12	2,397,809	1.8181
Modarabas and Mutual Funds	14	1,243,990	0.9433
Foreign Companies	2	59,624	0.0452
Public, Private and Other Companies	119	11,201,695	8.4937
General Public - Local	5,043	40,047,994	30.3666
General Public - Foreign	176	499,971	0.3791
Total	5,414	131,881,880	100.0000

KEY SHAREHOLDINGS AND SHARE TRADING

Information on shareholding required under reporting framework is as follows:

	No. of Shares	Percentage
Directors & Spouses	31,569,559	23.9378
Sponsoring Family Members	24,289,058	18.4173
Executives	6	-
Associated Companies	1,488,657	1.1288
Govt. Financial Institutions/NIT /NBP & Related Companies	13,799,497	10.4635

MEMBERS HAVING 5% OR MORE OF VOTING RIGHTS

Name of Shareholder	Shares Held	Percentage
Mr. Kamal A. Chinoy	15,418,723	11.6913
Mr. Mustapha A. Chinoy	12,529,275	9.5004

SHARES TRADING BY DIRECTORS / EXECUTIVES

During FY 2022-23

Following shares transactions were made by Directors, Executives and their family members or their private owned companies during the financial year July 1, 2022 to June 30, 2023.

Sold / Gifted to Children (No. of Shares)	Purchased / Disclosure of Beneficial Ownership (No. of Shares)
-	1,184,383

FREE FLOAT OF SHARES

As at June 30, 2023

S. No.	Category of Shareholders	Shares Held
	Total Outstanding Shares	131,881,880
1	Government Holding as Promoter	(8,138,923)
2	Directors / Sponsors/Senior Management Officer	(55,857,923)
3	Physical Shares	(1,505,107)
4	Associated / Group Companies	(1,488,657)
5	Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-
6	Treasury Shares	-
7	Any other category that are barred from selling	-
	Free Float	64,891,270

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the Members that the 75th Annual General Meeting of International Industries Limited will be held on Wednesday, September 27, 2023 at 10.30 a.m. at the Jasmine Hall, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi to transact the following business. Members are encouraged to attend the meeting through video conferencing.

ORDINARY BUSINESS

Financial Statements

1. To receive, consider and adopt the Audited Annual Financial Statements (unconsolidated and consolidated) of the Company for the year ended June 30, 2023, together with the Reports of the Directors and Auditors thereon.

As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including the Financial Statements of the Company has been transmitted to the shareholders and uploaded on the website of the Company which can be viewed using the following link and QR enable code:

<https://iil.com.pk/en/page/investors/financial-information>



Dividend

2. To consider and approve the payment of Rs. 2.00 per share (20%) as the final cash dividend in addition to the 55% interim cash dividend announced and already paid, making a total dividend of Rs. 7.5 per share (75%) for the financial year ended June 30, 2023, as recommended by the Board of Directors.

Auditors

3. To appoint statutory auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The retiring Auditors, M/s A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out of pocket expenses at actuals.

SPECIAL BUSINESS

Transmission of Annual Report Including Notice of General Meetings

4. To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the "Audited Annual Financial Statements") and the notice of general meetings etc. to the Company's shareholders through email or QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21, 2023:

“RESOLVED THAT as notified by the Securities and Exchange Commission of Pakistan via S.R.O No.389(I)/2023 dated March 21, 2023 transmission of Audited Annual Financial Statements to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future.”

Alteration of the Company’s Articles of Association

5. To consider and if thought fit, amend the Articles of Association of the Company and for this purpose to pass the following resolution as a Special Resolution:

“RESOLVED as and by way of Special Resolution THAT the Articles of Association of the Company be and are hereby amended by substituting for the existing Article 131, the following new article:

Power to Capitalize

131. The Company may upon the recommendation and approval of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited.”

“FURTHER RESOLVED THAT the Chief Executive Officer and Company Secretary be and are hereby authorized singly to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and to file requisite documents with the Registrar to effectuate and implement the aforesaid.”

“FURTHER RESOLVED THAT the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval from members.”

Any other Business

6. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

The information as required under section 134(3) of the Companies Act, 2017 is being provided along with the Notice of the Annual General Meeting being sent to the Shareholders.

Karachi: August 23, 2023

By Order of the Board
International Industries Ltd.
M. Irfan Bhatti
Company Secretary &
Head of Legal Affairs

NOTES:

1. PARTICIPATION IN THE AGM VIA VIDEO CONFERENCING FACILITY:

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for International Industries Limited AGM 2023" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to investors@iil.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

Registration to attend the Annual General Meeting through Video Conferencing Facility

1. Folio No. / CDC Investors A/c No./ Sub-A/c No. _____
2. Name of Shareholder : _____
3. Cell Phone Number : _____
4. Email Address : _____
5. No. of Shares held at the 1st day of the Book Closure to establish the right to attend AGM:

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: investors@iil.com.pk

2. CLOSURE OF SHARE TRANSFER BOOKS

The Register of Members and the Share Transfer Books will be closed from September 20, 2023 to September 27, 2023 (both days inclusive) to establish the right to attend the Annual General Meeting and to receive the dividend declared.

3. ATTENDING AGM AND APPOINTMENT OF PROXY

- A. A Member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.
- B. An instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarized certified copy of the power or authority must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy is enclosed.
- C. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

i) For Attending AGM

- a) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall produce proof of his / her identity by showing their Computerized National Identity Card (CNIC) at the time of attending the meeting.

b) In case of a corporate entity, a Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

ii) For Appointing Proxy

- a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per CDC regulations shall submit the Proxy Form as per the above requirement.
- b) Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the Proxy Form. The proxy shall produce his original CNIC at the time of the meeting.

4. MANDATORY INFORMATION (EMAIL, CNIC, IBAN AND ZAKAT DECLARATION)

A. In compliance with Section 119 of the Companies Act, 2017 and Regulation 19 Companies (General Provisions and Forms) Regulations, 2018 members are requested to immediately provide their mandatory information such as CNIC number, updated mailing address, email, contact mobile/telephone number and International Banking Account Number (IBAN) together with a copy of their CNIC to update our records and to avoid any non-compliance of the law. Otherwise, all dividends will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017;

- For physical shares to M/s CDC Share Registrar Services Limited
- For shares in CDS to CDC Investors A/c Services or respective participant

B. Members are requested to submit a declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and advise a change in address if any.

5. UNCLAIMED DIVIDENDS AND BONUS SHARES

Shareholders, who for any reason, could not claim their dividend and/or bonus shares are advised to contact our Shares Registrar M/s CDC Share Registrar Services Limited to collect/enquire about their unclaimed dividends and/or bonus shares if any.

6. E-DIVIDEND MANDATE

As per Section 242 of the Companies Act, 2017, in the case of a Public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders.

Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, to provide bank account details to our Share Registrar, M/s CDC Share Registrar Services Limited. Please ensure an early update of your particulars to avoid any inconvenience. The e-Dividend mandate form is enclosed.

7. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all such members of International Industries Limited who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System to facilitate the conversion of physical shares into book-entry form.

Members are informed that holding shares in book-entry form has several benefits including but not limited to;

- Secure and convenient custody of shares
- Conveniently tradeable and transferable
- No risk of loss, damage or theft
- No stamp duty on transfer of shares in book-entry form
- Seamless credit of bonus or right shares

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

8. FILER AND NON-FILER STATUS

i) The Government of Pakistan through the Finance Act, 2023 in Section 150 of the Income Tax Ordinance, 2001 prescribed the following rates for withholding tax against dividend payments by the companies;

- a) For filers of income tax returns – 15%
- b) For non-filers of income tax returns – 30%

Members whose names are not entered into the Active Taxpayers List (ATL) provided on the FBR website, despite the fact that they are filers, are advised to make sure that their names are entered into ATL to avoid higher tax deductions against dividends.

ii) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers, or email addresses:

M/s CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S,
Shahrah-e-Faisal,
Customer Support Service Nos: +92-080023275
E-mail : info@cdcsrsl.com

- iii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e. M/s CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio number

9. ELECTRONIC VOTING

The members are hereby notified that pursuant to Section 143-145 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 5, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through the electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of International Industries Limited (the "Company") will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business in its 75th Annual General Meeting to be held on Wednesday, September 27, 2023 at 10.30 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, the ballot paper is annexed to this notice and the same is also available on the Company's website at www.iil.com.pk for download.

Procedure for E – Voting:

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 19, 2023.
- The web address, and login details, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal M/s CDC Share Registrar Services Limited (being the e-voting service provider).
- Identity of the Members intending to cast a vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- E-Voting lines will start on September 22, 2023, at 9:00 a.m. and shall close on September 26, 2023 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:

- The members shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 101 Beaumont Plaza, 10 Beaumont Road, Karachi- 75530 or email at investors@iil.com.pk by September 26, 2023 one day before the Annual General Meeting. The signature on the ballot paper shall match the signature on CNIC.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON SEPTEMBER 27, 2023

SPECIAL BUSINESS

Agenda Item 4 – Transmission of Annual Report Including Notice of General Meetings

The Securities and Exchange Commission of Pakistan has allowed listed Companies, through its S.R.O No.389(I)/2023 dated March 21, 2023 to circulate the Audited Annual Financial Statements to their Members through QR-enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB. The Company shall circulate Audited Annual Financial Statements through the email address in case it has been provided by the member to the Company, and upon demand, supply hard copies of the Audited Annual Financial Statements to the shareholders free of cost upon receipt of a duly completed Request Form, which may be obtained from the Company’s Website i.e. <http://www.iil.com.pk>

Agenda Item No. 5 Alteration of the Company’s Articles of Association

The Board of Directors has recommended that Article 131 of the Company’s Articles of Association be altered to bring it in line with the Companies (Further Issue of Shares) Regulations, 2020.

The Board confirms that the proposed alteration is in line with the applicable provisions of the law and regulatory framework to the best of their knowledge and belief.

The existing and proposed altered provision of the Company’s Articles of Association is set out below:

Existing Article 131	Proposed Amendment to Article 131
<p>131. The Company in General Meeting may upon the recommenda-tion of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.</p>	<p>131. The Company in General Meeting may upon the recommendation and approval of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited.</p>

None of the Directors of the Company have any direct or indirect interest in this special business.

بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 131 کو تبدیل کر کے کمپنیز کے اجراء (شیرز کے مزید اجراء) ریگولیشنز 2020 سے ہم آہنگ کر دیا جائے۔

بورڈ نے تصدیق کی ہے کہ مجوزہ تبدیلی، ان کی بہترین معلومات اور اعتماد کے مطابق، قانون اور ضوابط فریم ورک کے لاگو پروویژن سے ہم آہنگ ہے۔

کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ اور مجوزہ پروویژن کا متن درج ذیل ہے:

موجودہ آرٹیکل. 131

131: کمپنی، ڈائریکٹرز کی سفارشات پر اجلاس عام میں طے کر سکتی ہے کہ وہ فی الوقت ایک مخصوص رقم کی سرمایہ کاری کرنے کی خواہشمند ہے جو کمپنی کے کسی بھی ریزرو اکاؤنٹ سے یا نفع و نقصان اکاؤنٹ سے ہو یا تقسیم کیلئے کسی اور ذریعہ سے دستیاب ہو، اور اس کے مطابق یہ رقم اہل ممبرز میں بطور ڈیویڈنڈ تقسیم کی جائے اور اگر اس شرط پر اسی تناسب سے نقد ادا نہ کی جائے بلکہ فی الوقت ممبرز کے پاس موجود غیر ادا شدہ شیرز کی ادائیگی کے لئے اسی تناسب سے استعمال کی جائے یا کمپنی کے غیر جاری شدہ شیرز یا قرضہ نامہ کی مکمل ادائیگی کیلئے استعمال کئے جائیں جو الٹ کئے جانے ہوں یا تقسیم کئے جانے اور کریڈٹ کیلئے ہوں، بطور کلی ادا شدہ، ایسے ممبرز کے درمیان مذکورہ تناسب سے، یا جزوی طور پر ایک طریقے اور جزوی طور پر دوسرے طریقے سے تقسیم کئے جائیں اور ڈائریکٹرز اس قرارداد کی منظوری دیں۔

آرٹیکل 131 میں مجوزہ ترمیم

131: کمپنی، ڈائریکٹرز کی سفارشات اور منظوری کے ساتھ طے کر سکتی ہے کہ وہ فی الوقت ایک مخصوص رقم کی سرمایہ کاری کرنے کی خواہشمند ہے جو کمپنی کے کسی بھی ریزرو اکاؤنٹ سے یا نفع و نقصان اکاؤنٹ سے ہو یا تقسیم کیلئے کسی اور ذریعہ سے دستیاب ہو، اور اس کے مطابق یہ رقم اہل ممبرز میں بطور ڈیویڈنڈ تقسیم کی جائے اور اگر اس شرط پر اسی تناسب سے نقد ادا نہ کی جائے بلکہ فی الوقت ممبرز کے پاس موجود غیر ادا شدہ شیرز کی ادائیگی کے لئے اسی تناسب سے استعمال کی جائے یا کمپنی کے غیر جاری شدہ شیرز یا قرضہ نامہ کی مکمل ادائیگی کیلئے استعمال کئے جائیں جو الٹ کئے جانے ہوں یا تقسیم کئے جانے اور کریڈٹ کیلئے ہوں۔

کمپنی کے ڈائریکٹرز میں سے کسی کو بھی اس خصوصی کاروبار سے براہ راست یا بالواسطہ کوئی دلچسپی نہیں ہے۔

ای دوونگ کیلئے طریقہ کار

- (a) ای دوونگ کی سہولت کی تفصیلات کمپنی کے ان ممبرز کے ساتھ بذریعہ ای میل شیئر کی جائیں گی جن کے کارڈ CNIC نمبرز، سیل نمبرز اور ای میل کے پتے کمپنی کے ممبرز کے رجسٹر میں 19 ستمبر 2023 کو کاروباری اوقات کے اختتام پر دستیاب ہوں گے۔
- (b) ویب ایڈریس اور لاگ ان کی تفصیلات ممبرز کو بذریعہ ای میل ارسال کی جائیں گی۔ ممبرز کو سیکورٹی کوڈ ویب پورٹل میسرز سی ڈی سی شیئر رجسٹر سروسز لمیٹڈ (کشمیت ای دوونگ سروس پرووائیڈر) کی جانب سے SMS کے ذریعے بھیجے جائیں گے۔
- (c) ای دوونگ کے ذریعے ووٹ استعمال کرنے کے خواہشمند ممبرز کی شناخت الیکٹرونک دستخط یا لاگ ان کی تصدیق سے جائے گی۔
- (d) ای دوونگ کی لائنیں 22 ستمبر 2023 کو 9.00 بجے صبح شروع اور 26 ستمبر 2023 کو شام 5.00 بجے بند ہو جائیں گی۔ ممبرز اس مدت کے دوران میں کسی بھی وقت ووٹ کاسٹ کر سکتے ہیں۔ قرارداد کیلئے ایک مرتبہ ووٹ کاسٹ کئے جانے کے بعد ممبرز کو بعد میں اس کو تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیٹ کے ذریعے دوونگ کا طریقہ کار

ممبرز اس بات کا اطمینان کر لیں کہ بیٹ باقاعدہ پُر کر لیا گیا اور دستخط شدہ ہے جو کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ساتھ کمپنی کے رجسٹرڈ پتے، 101 بیومنٹ پلازہ، بیومنٹ روڈ، کراچی 75530 پر یا بذریعہ ای میل investors@iil.com.pk پر سالانہ اجلاس عام سے ایک دن پہلے 26 ستمبر 2023 کو لازمی طور پر پہنچ جائے۔ بیٹ پیپر پر کئے گئے دستخط کا CNIC پر کئے گئے دستخط کے مطابق ہونا چاہئیں۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت خصوصی امور سے متعلق مادی حقائق کا اسٹیٹمنٹ جس کی کارروائی کمپنی کے شیئر ہولڈرز کے سالانہ اجلاس عام میں 27 ستمبر 2023 کو انجام دی جائے گی۔

خصوصی امور

ایجنڈا آئٹم 4 - سالانہ آڈٹ شدہ حسابات کی بذریعہ QR کوڈ اور ویب لنک ترسیل۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 لسٹڈ کمپنیز کو اجازت دی ہے کہ اپنے شیئر ہولڈرز کو سالانہ آڈٹ شدہ مالیاتی اسٹیٹمنٹ CD/DVD/USB کے ذریعے بھیجنے کی بجائے QR کوڈ اور ویب لنک کے ذریعے ارسال کریں۔

کمپنی سالانہ آڈٹ شدہ مالیاتی اسٹیٹمنٹ ای میل کے ذریعے اس صورت میں بھجوائے گی جب ممبرز نے کمپنی کو اپنا ای میل کا پتہ فراہم کیا ہو، نیز ممبرز کی طلب پر سالانہ آڈٹ شدہ مالیاتی اسٹیٹمنٹ کی ہارڈ کاپی فراہم کرے گی جو مکمل شدہ درخواست فارم موصول ہونے پر بلا معاوضہ فراہم کی جائے گی۔ یہ فارم کمپنی کی ویب سائٹ <http://www.iil.com.pk> سے حاصل کیا جاسکتا ہے۔

ایجنڈا آئٹم نمبر 5 - کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی

- (a) اگم ٹیکس ریٹرن کے فائلر کیلئے 15%
(b) اگم ٹیکس ریٹرن کے نان فائلر کیلئے 30%

جن ممبرز کے نام FBR کی ویب سائٹ پر فراہم کی گئی فعال ٹیکس گزاروں کی فہرست (ATL) میں شامل نہیں ہیں، اگرچہ وہ فائلر ہیں، ان سے گزارش ہے کہ وہ اپنے نام کو ATL میں شامل ہونے کو یقینی بنائیں تاکہ وہ ڈیوڈینڈز پر ٹیکس کی زیادہ شرح سے بچ سکیں۔

(ii) کسی بھی استفسار مسئلے کیلئے انویسٹرز سٹیز رجسٹرار سے درج ذیل فون نمبر پر یا بذریعہ ای میل ایڈریس رابطہ کر سکتے ہیں
میسرز سی ڈی سی سٹیز رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی
کسٹمر سپورٹ سروس نمبر: +92-080023275

ای میل info@cdcsrsl.com

(iii) سی ڈی سی اکاؤنٹ کے حامل کارپوریٹ سٹیز ہولڈرز اپنے متعلقہ شرکاء کے ساتھ نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ رکھیں جبکہ کارپوریٹ فزیکل سٹیز ہولڈرز اپنے NTN سرٹیفکیٹ کی کاپی سٹیز رجسٹرار، یعنی میسرز سی ڈی سی سٹیز رجسٹرار سروسز لمیٹڈ کو ارسال کریں۔ سٹیز ہولڈرز کو چاہیے کہ وہ NTN یا NTN سرٹیفکیٹس، جو بھی صورت ہو، بھیجتے وقت کمپنی کا نام اور اپنا متعلقہ فون نمبر ضرور درج کریں۔

۹۔ الیکٹرونک ذریعہ سے ووٹنگ

ممبرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 143-145 میں درج شرائط کے مطابق اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018، ترمیم شدہ بذریعہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے نوٹیفیکیشن مورخہ 5 دسمبر، 2022، SECP نے لسٹڈ کمپنیز کو ہدایت کی ہے کہ وہ خصوصی امور کے تحت مختص تمام کاروباروں کیلئے ممبرز کو ان کے الیکٹرونک ووٹنگ یا بذریعہ ڈاک ووٹنگ کا حق استعمال کرنے کی سہولت فراہم کریں۔

اس کے مطابق انٹرنیشنل انڈسٹریز لمیٹڈ ("کمپنی") کی جانب سے اپنے ممبرز کو 27 ستمبر 2023 کو دن 10.30 بجے منعقد ہونے والے 75 ویں سالانہ اجلاس عام میں خصوصی کاروبار کے تحت الیکٹرونک ووٹنگ کی سہولت یا بذریعہ ڈاک ووٹنگ کا حق استعمال کرنے کی اجازت دی گئی ہے جو مذکورہ ریگولیشنز میں درج ضوابط اور شرائط سے مشروط ہے۔

ممبرز کی سہولت کیلئے بیلٹ پیپر اس نوٹس کے ساتھ منسلک ہے اور ڈاؤن لوڈ کیلئے کمپنی کی ویب سائٹ www.iii.com.pk پر

دستیاب ہے

لہذا اس نوٹس کے ذریعے تمام شیئر ہولڈرز سے درخواست ہے کہ اپنے بینک اکاؤنٹ نمبر (IBAN) اور دیگر تفصیلات متعلقہ شریک کے ذریعے سینٹرل ڈپازٹری سسٹم میں اپ ڈیٹ کرادیں۔ فزیکل شیئر کی صورت میں اپنے بینک اکاؤنٹ کی تفصیلات ہمارے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کریں۔ برائے مہربانی اپنے اکاؤنٹ کی تفصیلات یقینی طور پر جلد از جلد اپ ڈیٹ کر لیں تاکہ زحمت سے بچ سکیں۔ ای ڈیویڈنڈ مینڈیٹ فارم منسلک ہے۔

۷۔ فزیکل شیئرز کی بک انٹری فارم میں تبدیلی
کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق تمام موجودہ کمپنیز کیلئے لازم ہے کہ وہ کمپنیز ایکٹ 2017 کے نفاذ کی تاریخ سے چار سال کے اندر اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرالیں۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر نمبر CSD/ED/Misc./2016-639-640 مجریہ 26 مارچ 2021 کے ذریعے لکھنؤ کمپنیز کو ہدایت دی ہے کہ وہ اپنے ایسے ممبرز کو، جن کے شیئرز ابھی تک فزیکل فارم میں ہیں، ان شیئرز کو بک انٹری فارم میں تبدیل کرانے کی ترغیب دیں۔

لہذا انٹرنیشنل انڈسٹریز لمیٹڈ کے تمام ایسے ممبرز سے، جن کے پاس فزیکل فارم میں شیئر ہیں، ہماری درخواست ہے کہ وہ جلد از جلد اپنے شیئرز بک انٹری فارم میں تبدیل کرالیں۔ ان کو یہ بھی مشورہ دیا جاتا ہے کہ وہ سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ سے یا پاکستان اسٹاک ایکسچینج کے کسی فعال ممبر اسٹاک بروکر سے رابطہ کر کے سینٹرل ڈپازٹری سسٹم میں اکاؤنٹ کھلوائیں تاکہ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرانے کی سہولت حاصل ہو جائے۔

ممبرز کو مطلع کیا جاتا ہے کہ شیئرز کو بک انٹری فارم میں رکھنے کے کئی فائدے ہیں جن میں سے چند درج ذیل ہیں:

- شیئرز کی محفوظ اور باسہولت تحویل
- تجارت اور منتقل کرنے میں آسانی
- گم ہونے، نقصان پہنچنے یا چوری ہونے کا کوئی خطرہ نہیں
- شیئرز کے بک انٹری فارم میں تبدیلی پر کوئی اسٹیپ ڈیوٹی نہیں
- بونس یا رائٹ شیئرز کا بلا رکاوٹ کریڈٹ

ہم کمپنی کے ممبرز کو ایک مرتبہ ہدایت کرتے ہیں کہ اپنے بہترین مفاد میں اپنے فزیکل شیئرز کو جلد از جلد بک انٹری فارم میں تبدیل کرالیں

۸۔ فاکر اور نان فاکر کی حیثیت

(i) حکومت پاکستان نے فنانس ایکٹ 2023 کے ذریعے انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 میں کمپنیز کی جانب سے ڈیویڈنڈ کی ادائیگی پر وہولڈنگ ٹیکس کی درج ذیل شرح مقرر کی ہے:

(i) اے جی ایم میں شرکت کیلئے

- ۱۔ فرد واحد ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر، جن کی سیکورٹیز اور ان کے رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ ڈ ہیں، وہ اجلاس میں شرکت کے وقت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) دکھا کر اپنی شناخت کا ثبوت مہیا کریں۔
- ب۔ کارپوریٹ ادارہ ہونے کی صورت میں اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے نمونے کے دستخط پیش کرنا ہوں گے۔ (اگر پہلے سے فراہم نہ کئے گئے ہوں)

(ii) پراکسی کے تقرر کیلئے

- a۔ فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر، جس کی رجسٹریشن کی تفصیلات سی ڈی سی ضوابط کے مطابق اپ لوڈ ہیں، درج بالا شرائط کے مطابق پراکسی فارم جمع کرائے گا۔
- b۔ ہینفیشل اونرز اور پراکسی کی CNIC کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ فراہم کرنا ہوں گی۔ پراکسی کو اجلاس میں شرکت کے وقت اصل CNIC پیش کرنا ہوگا۔

۳۔ لازمی معلومات کی فراہمی (ای میل، سی این آئی سی، آئی بی اے این اور زکوٰۃ ڈکلیئریشن)

الف۔ کمپنیز ایکٹ 2017 کے سیکشن 119 اور ریگولیشن 19 کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز، 2018 کی پیروی میں، ممبرز سے درخواست ہے کہ اپنی لازمی معلومات جیسے سی این آئی سی نمبر، تازہ ترین ڈاک کا پتہ، ای میل، رابطے کا موبائل/ٹیلیفون نمبر اور انٹرنیشنل بینکنگ اکاؤنٹ نمبر (BAN) مع اپنے CNIC کی کاپی، ہمارے ریکارڈ میں اپ ڈیٹ کرنے اور کسی قانون کی عدم پیروی سے بچنے کیلئے درج ذیل کے مطابق فوری طور پر فراہم کریں، ورنہ کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کے سیکشن 6 کی رو سے تمام ڈیویڈنڈز روک لئے جائیں گے۔

• فزیکل شیئرز کی صورت میں میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ کو

• سی ڈی ایس میں شیئرز کی صورت میں سی ڈی سی انویسٹرز اکاؤنٹ سروسز یا متعلقہ شریک کو

ب۔ ممبرز سے درخواست ہے کہ زکوٰۃ سے استثنیٰ کیلئے زکوٰۃ ایڈوائزری ڈینس 1980 کے مطابق ڈکلیئریشن (CZ-50) اور پتے میں کسی تبدیلی کی صورت میں، اگر ہو، تو اس کی اطلاع بھی جمع کرائیں۔

۵۔ غیر کلیم شدہ ڈیویڈنڈز اور بونس شیئرز

جو شیئرز ہولڈرز کسی وجہ سے اپنے ڈیویڈنڈز اور ایابونس شیئرز کلیم نہیں کر سکے ہیں، ان کو مشورہ دیا جاتا ہے کہ اپنے غیر کلیم شدہ ڈیویڈنڈز اور ایابونس شیئرز حاصل کرنے ان کے بارے میں معلومات کیلئے ہمارے شیئرز رجسٹرار میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ سے رابطہ کریں۔

۶۔ ای ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت پبلک لسٹڈ کمپنی کیلئے لازم ہے کہ وہ نقد ادائیگی والے ڈیویڈنڈز صرف الیکٹرونک ذریعہ سے براہ راست الی شیئرز ہولڈرز کے مقرر کردہ بینک اکاؤنٹ میں جمع کرائیں۔

نوٹس:

۱۔ سالانہ اجلاس عام میں بذریعہ ویڈیو کانفرنسنگ شرکت کی سہولت اجلاس میں ویڈیو کانفرنسنگ کے ذریعے شرکت کے خواہشمند شیئر ہولڈرز سے درخواست ہے کہ وہ درج ذیل معلومات "رجسٹریشن برائے انٹرنیشنل انڈسٹریز لمیٹڈ 2023 AGM" کے عنوان سے، مع اپنے کمپیوٹر یا موبائل پر ذمہ داری کی شناختی کارڈ (CNIC) کی دونوں طرف کی کارآمد کاپی investors@iil.com.pk پر ای میل کریں۔ ویڈیو لنکس اور لاگ ان کا طریقہ کار صرف انہی ممبرز کے ساتھ شیئر کیا جائے گا جن کی ای میل، تمام مطلوبہ کوائف کے ساتھ AGM کے وقت سے کم از کم 48 گھنٹے پہلے وصول ہو جائیں گی۔

سالانہ اجلاس عام میں بذریعہ ویڈیو کانفرنسنگ شرکت کیلئے رجسٹریشن
۱۔ فولیو نمبر ای سی ڈی سی انویسٹرز اکاؤنٹ نمبر / سب اکاؤنٹ نمبر _____
۲۔ شیئر ہولڈر کا نام _____
۳۔ موبائل فون نمبر _____
۴۔ ای میل کا پتہ _____
۵۔ AGM میں شرکت کے استحقاق کی تصدیق کیلئے کتب کی بندش کے پہلے روز تاحیل میں موجود شیئرز کی تعداد: _____

شیئر ہولڈرز AGM کے ایجنڈا آؤٹ لائن کے لئے اپنی آراء اور سوالات اس پتے پر ای میل کر سکتے ہیں۔

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۲۔ شیئر ٹرانسفر بکس کی بندش

۱۔ ممبران کارجر اور شیئر ٹرانسفر بکس 20 ستمبر 2023ء تا 27 ستمبر 2023ء (بشمول دونوں ایام) سالانہ اجلاس عام میں شرکت کے استحقاق اور اعلان شدہ ڈیویڈنڈ کی وصولی کی تصدیق کیلئے بند رہیں گی۔

۳۔ اے جی ایم میں شرکت اور پراسی کا تقرر

الف۔ کوئی ممبر جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا اہل ہے، وہ اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے بولنے اور ووٹ دینے کیلئے اپنا پراسی مقرر کرنے کا حق رکھتا رکھتی ہے۔

ب۔ پراسی کی تقرری کی دستاویز اور پاور آف اٹارنی یا کوئی اور اتھارٹی، جس کے تحت دستخط کئے گئے ہوں یا پاور آف اٹارنی کی نوٹری سے تصدیق شدہ کاپی، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں لازماً جمع کرائی جائیں۔ پراسی کا فارم منسلک ہے۔

ج۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 مورخہ 26 جنوری 2000 میں درج رہنما ہدایات پر بھی عمل کرنا ہوگا۔

"طے پایا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 کے مطابق ممبرز کو سالانہ آڈٹ شدہ حسابات کی بذریعہ CD/DVD/USB ترسیل کی بجائے سالانہ آڈٹ شدہ حسابات کی بذریعہ QR کوڈ اور ویب لنک ترسیل کی توثیق کی جاتی ہے اور آئندہ کیلئے منظوری دی جاتی ہے۔"

کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی

۵۔ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم پر غور کرنا اور مناسب سمجھا جائے تو اس مقصد کیلئے درج ذیل قرارداد کو بطور خصوصی قرارداد پاس کرنا:

"بطور خصوصی قرارداد، طے پایا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کر کے موجودہ آرٹیکل 131 کی جگہ درج ذیل نئے آرٹیکل کو شامل کیا جاتا ہے:

سرمایہ کاری کرنے کے اختیارات:

131۔ ڈائریکٹرز کی سفارش اور منظوری سے مشروط، کمپنی طے کر سکتی ہے کہ وہ فی الوقت ایک مخصوص رقم کی سرمایہ کاری کرنے کی خواہشمند ہے جو کمپنی کے کسی بھی ریزرو اکاؤنٹ سے یا نفع و نقصان اکاؤنٹ سے ہو یا تقسیم کیلئے کسی اور ذریعہ سے دستیاب ہو، اور اس کے مطابق یہ رقم اہل ممبرز میں بطور ڈیویڈنڈ تقسیم کی جائے اور اگر اس شرط پر اسی تناسب سے نقد کی بجائے فی الوقت ممبرز کے پاس موجود غیر ادا شدہ شیئرز کی ادائیگی کے لئے اسی تناسب سے استعمال کی جائے یا کمپنی کے غیر جاری شدہ شیئرز یا قرضہ نامہ کی مکمل ادائیگی کیلئے استعمال کئے جائیں جو الاٹ کئے جانے ہوں یا تقسیم کئے جانے اور کریڈٹ کیلئے ہوں۔"

"مزید طے پایا کہ چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری انفرادی طور پر اس بات کے مجاز ہوں گے اور ہیں، کہ تمام عمل، کاوشیں اور امور انجام دیں اور تمام قانونی رموز مکمل کرنے کیلئے تمام ضروری کارروائیاں کریں اور مذکورہ عمل کے موثر ہونے اور اس پر عمل درآمد کیلئے رجسٹرار کے پاس مطلوبہ دستاویزات جمع کروائیں۔"

"مزید طے پایا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں مذکورہ تبدیلی، کسی مطلوبہ ترمیم، تجدید، اضافے یا حذف کرنے سے مشروط ہوگی اور ایسی ترمیم، تجدید، اضافہ یا حذف کرنے کیلئے ممبرز سے نئی منظوری حاصل کرنے کی ضرورت نہیں ہوگی۔"

کوئی اور امور

۶۔ چیئر کی اجازت سے کسی اور امور کی انجام دہی جو سالانہ اجلاس عام میں کی جاسکے۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت درکار معلومات سالانہ اجلاس عام کی اطلاع کے ساتھ شیئرز ہولڈرز کو بھیجی جا رہی ہیں۔

بحکم بورڈ

انٹرنیشنل انڈسٹریز لمیٹڈ

ایم۔ عرفان بھٹی

کمپنی سیکرٹری اور ہیڈ آف لیگل افیئرز

کراچی: 23 اگست 2023

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا ممبرز کو مطلع کیا جاتا ہے کہ انٹرنیشنل انڈسٹریز لمیٹڈ کا 75 واں سالانہ اجلاس عام بروز بدھ، 27 ستمبر 2023ء دن 10.30 بجے، درج ذیل کاروباری امور کی انجام دہی کیلئے برہمن ہال، بیچ لگھری ہوٹل، آف ایم ٹی خان روڈ، کراچی منعقد ہوگا۔ ممبرز کی حوصلہ افزائی کی جاتی ہے کہ وہ اجلاس میں بذریعہ ویڈیو کانفرنسنگ شرکت کریں۔

عمومی امور

مالیاتی حسابات

۱۔ کمپنی کے آڈٹ شدہ سالانہ مالیاتی حسابات (غیر مجموعی اور مجموعی) برائے سال مختتمہ 30 جون 2023ء مع ان پراڈاکٹرز اور آڈیٹرز کی رپورٹس، وصول کرنا، ان پر غور کرنا اور ان کو منظور کرنا۔

کمپنیز ایکٹ 2017ء کے سیکشن 223 کی شرائط کے تحت اور ایس آر اے نمبر 2023/389 (I) مورخہ 21 مارچ 2023ء کے مطابق کمپنی کے مالیاتی حسابات کمپنی کی ویب سائٹ پر اپ لوڈ کر دیئے گئے ہیں، جو درج ذیل لنک اور QR کوڈ کے ذریعے بھی دیکھے جاسکتے ہیں:



<http://www.iil.com.pk/investors/financial-information>

ڈیویڈنڈ

۲۔ بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق حتمی نقد منافع بحساب 2.0 روپے فی شیئر (20%) کی ادائیگی پر غور کرنا اور منظوری دینا جو پہلے سے ادا شدہ 55% عبوری نقد منافع کے علاوہ ہے جس کا اعلان کیا گیا تھا اور ادا کیا جا چکا ہے، اس کو ملا کر کل منافع برائے مالی سال مختتمہ 30 جون 2023ء: 7.5 روپے فی شیئر (75%) ہوگا۔

آڈیٹرز

۳۔ کمپنی کے قانونی آڈیٹرز برائے سال مختتمہ 30 جون 2024ء کا تقرر کرنا اور ان کے مشاہرے کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے، اہل ہونے کی بنیاد اپنے دوبارہ تقرر کی پیشکش کی ہے جو باہمی متفقہ فیس اور جیب خرچ کے علاوہ اصل اخراجات کی رقم واپس ادائیگی پر مبنی ہے۔

خصوصی امور

۴۔ سالانہ رپورٹ، مع اجلاس عام کی اطلاع کی ترسیل

عمومی قرارداد کے طور پر اور اس کے ذریعے، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر اے نمبر 2023/389 (I) مورخہ 21 مارچ 2023ء کی پیروی میں، کمپنی کے شیئر ہولڈرز کو سالانہ بیلنس شیٹ، نفع نقصان کے حسابات، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ ("آڈٹ شدہ مالیاتی حسابات") اور اجلاس عام کی اطلاع وغیرہ، کی بذریعہ ای میل یا QR کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کی منظوری دینا:

GLOSSARY

AGM Annual General Meeting	GDP Gross Domestic Product
API American Petroleum Institute	GI Galvanized Iron
ATIR Appellate Tribunal Inland Revenue	GIDC Gas Infrastructure Development Cess
ATL Active Tax Payer List	GoP Government of Pakistan
AUD Australian Dollars	HDPE High Density Polyethylene
BAC Board Audit Committee	HoD Head of Department
BCP Business Continuity Planning	HR Human Resource
Board/BOD Board of Directors	HRRC Human Resource Remuneration Committee
CBA Collective Bargaining Agreement	HRC Hot Rolled Coil
CCG Code of Corporate Governance	HSE Health, Safety and Environment
CDC Central Depository Company	HSS Hollow Structural Sections
CE Conformité Européene or European Conformity	IAS International Accounting Standards
CEO Chief Executive Officer	IBA Institute of Business Administration
CDC Central Depository Company	ICAP Institute of Chartered Accountants of Pakistan
CFO Chief Financial Officer	ICMAP Institute of Cost and Management Accountants of Pakistan
CIR Commissioner Inland Revenue	IFC International Finance Corporation
CIT Commissioner Income Tax	IFRIC International Financial Reporting Interpretation Committee
COLA Cost of Living Allowance	IFRS International Financial Reporting Standards
CR Cold Rolled	IIL International Industries Limited
CRC Cold Rolled Coil	IPO Initial Public Offering
CSR Corporate Social Responsibility	ISL International Steels Limited
CTAC Citizens Trust Against Crime	ISO International Organization for Standardization
CWIP Capital Work in Progress	ISO International Standards Organization
DBN Debottlenecking	IT Information Technology
EBIT Earnings before Interest and Taxation	ITAT Income Tax Appellate Tribunal
EBITDA Earnings before Interest, Taxation Depreciation and Amortization	JV Joint Ventures
EC Executive Committee	KE Karachi Electric
EFP Employees Federation of Pakistan	KIBOR Karachi Interbank Offer Rate
EPS Earning Per Share	KPMG Klynveld Peat Marwick Goerdeler
ERW Electric Resistance Weld	LIBOR London Interbank Offered Rate
ETP Effluent Treatment Plant	LPG Liquefied Petroleum Gas
EY Ernst Young	LSM Large Scale Manufacturing
FBR Federal Board of Revenue	LTC Lost Time Case
FPAP Fire Protection Association of Pakistan	LTIFR Lost Time Injury Frequency Rate
FPCCI Federation of Pakistan Chambers of Commerce and Industry	LTU Large Taxpayers Unit
FTA Free-Trade Agreement	
FTO Federal Tax Ombudsman	
FTR Final Tax Regime	

LUMS Lahore University of Management Sciences
M&A Memorandum and Articles
MAP Management Association of Pakistan
MC Management Committee
MDPE Medium Density Polyethylene
MoC Ministry of Commerce
MT Metric Ton(s)
NBV Net Book Value
NFEH National Forum for Environment and Health
NOC No Objection Certificate
NRV Net Realizable Value
NTC National Tariff Commission
OHSAS Occupational Health and Safety Assessment Specification
OPEC Organization of the Petroleum Exporting Countries
PACRA Pakistan Credit Rating Agency
PAT Profit after tax

PCL Pakistan Cables Limited
PEX Cross-linked Polyethylene
PICG Pakistan Institute of Corporate Governance
PKR Pakistan Rupees
PPRC Polypropylene Random Copolymer
PSQCA Pakistan Standards and Quality Control Authority
PSX Pakistan Stock Exchange
Rs. Pakistani Rupees
SECP Securities and Exchange Commission of Pakistan
SHC Sindh High Court
SNGPL Sui Northern Gas Pipelines Limited
SS Stainless Steel
SSGC Sui Southern Gas Company Limited
TCF The Citizens Foundation
UL Underwriters Laboratories
US\$/USD United States Dollar

INTERNATIONAL INDUSTRIES LIMITED

POSTAL BALLOT PAPER

For voting through post for the Special Business at the Annual General Meeting to be held on Wednesday, September 27, 2023 at 10.30 AM at Jasmine Hall, Beach Luxury Hotel, Off: M.T.Khan Road, Karachi.

UAN: 111-019-019 Website: www.iil.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of Shares Held	
CNIC/Passport No. (in the case of foreigners) (copy to be attached)	
Additional information and enclosures (in case of representative of a body corporate, corporation, and Federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in the case of foreigners) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 4 - Transmission of Annual Report including Notice of General Meetings

"RESOLVED THAT as notified by the Securities and Exchange Commission of Pakistan via S.R.O No.389(I)/2023 dated March 21, 2023 transmission of Audited Annual Financial Statements to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future."

Resolution For Agenda Item No. 5 – Alteration of the Articles of Association

"RESOLVED as and by way of Special Resolution THAT the Articles of Association of the Company be and are hereby amended by substituting for the existing Article 131, the following new article:

Power to Capitalize

131. The Company may upon the recommendation and approval of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited."

"FURTHER RESOLVED THAT the Chief Executive Officer and Company Secretaiy be and are hereby authorized singly to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and to file requisite documents with the Registrar to effectuate and implement the aforesaid."

"FURTHER RESOLVED THAT the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval from members."

Instructions For Poll

1. Please indicate your vote by ticking (√) the relevant box.

2. In case if both the boxes are marked as (√), your poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing a tick (√) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 4		
Resolution For Agenda Item No. 5		

- Duly filled ballot paper should be sent to the Chairman at 101 Beaumont Plaza, 10 Beaumont Road, Karachi- 75530 or email at investors@iil.com.pk
- Copy of the CNIC/ Passport (in case of a foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Tuesday, September 26, 2023. Any postal ballot received after this date, will not be considered for voting.
- Signature on the ballot paper should match with the signature on the CNIC/ Passport (In case of a foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
- Ballot Paper form has also been placed on the website of the Company at: www.iil.com.pk Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Signature: _____

Date: _____

Shareholder / Proxy holder Signature/Authorized Signatory (In case of corporate entity, please affix company stamp)

نوٹس:

- 1- صحیح طریقے سے نئے شدہ پوسٹل بیلٹ جیز مین کراچی 101 بیرونی بلازہ، 10 بیرونی روڈ، کراچی۔ 75530 ڈاک کے پتے پر ای میل investors@iil.com.pk کے ذریعے بھیجا جائے۔
- 2- CNIC / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہئے۔
- 3- پوسٹل بیلٹ فارم مشکل 28 ستمبر 2023 کو یا اس سے پہلے صدر اجلاس تک تکلیف جانے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ دوغٹب کیلئے قبول نہیں کیا جائے گا۔
- 4- پوسٹل بیلٹ پر دستخط CNIC / پاسپورٹ (غیر ملکی کی صورت میں) کے دستخط سے مماثل ہونا چاہئے۔
- 5- مکمل، بغیر دستخط شدہ، غلط، کٹ کر لکھا ہوا، چھٹا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ بچہ مسٹر دیکر دیا جائے گا۔
- 6- ہاڈی کارپوریشن، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، کمپنیز ایکٹ 2017 کے سیکشن 138 یا 139 کے مطابق بیلٹ فارم کے ساتھ کسی مجاز شخص کے CNIC کی کاپی، پورڈ کی قرارداد کی تصدیق شدہ کاپی، پاور آف اٹارنی / اتھارٹی لیٹر وغیرہ ساتھ ہونا ضروری ہے۔
- 7- یہ پوسٹل پورل بچہ کمپنی کی ویب سائٹ <https://www.iil.com.pk> سے ڈاؤن لوڈ کیلئے بھی دستیاب ہے، اراکین ویب سائٹ سے بیلٹ بچہ ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والا بیلٹ بچہ بھی استعمال کر سکتے ہیں۔

شیئر ہولڈرز / پراسی ہولڈرز / مجاز دستخط کنندہ کے دستخط:

(بصورت کارپوریشن ادارہ، کمپنی کی سرپرست کریں)

مقام:

تاریخ:

پوسٹ بلیٹ پیپر

بروز بدھ 27 ستمبر 2023 صبح 10:30 بجے گلوری ہوٹل، آف ایچ بی خان روڈ، کراچی میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کے لئے پوسٹ کے ذریعے دوپٹے۔
UAN: 111-019-019 ویب سائٹ: www.iil.com.pk

	شیر ہولڈر/ مشترکہ شیر ہولڈرز کا نام
	رجسٹرڈ ایڈریس
	فولیو نمبر/ ای ڈی سی پارٹیشن / انویسٹمنٹ آئی ڈی / ممبر سب اکاؤنٹ نمبر
	ملکی حصص کی تعداد
	CNIC / پاسپورٹ نمبر (بصورت غیر ملکی) (کاپی منسلک ہو)
	اضافی معلومات اور وضاحتیں (ہاڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندہ کی صورت میں)
	مجاز دستخط کنندہ کا نام:
	مجاز دستخط کنندہ کا CNIC / پاسپورٹ نمبر (بصورت غیر ملکی) (کاپی منسلک ہو)

قرارداد برائے ایجنڈا آئی ایم نمبر 4 سالانہ اجلاس عام کے نوٹس سمیت سالانہ رپورٹس کی ترسیل:

”قرارداد برائے ایجنڈا آئی ایم نمبر 4 سالانہ اجلاس عام کے نوٹس کی طرف سے S.R.O No. 389(I)/2023 مورخہ 21 مارچ 2023 مطلع کیا گیا ہے سالانہ آڈٹ شدہ اکاؤنٹس کو USB/DVD/CD کے ذریعے، ترسیل کرنے کی بجائے QR فعال کوڈ اور ویب لنک کے ذریعے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل، کی توثیق اور مستحق کیلئے منظوری دی جاتی ہے۔

قرارداد برائے ایجنڈا آئی ایم نمبر 5 ایسوی این کے آرٹیکل میں ترامیم:

”قرارداد برائے خصوصی قرارداد کے ذریعے کئی ایسوی این کے آرٹیکل موجودہ آرٹیکل 131 مندرجہ ذیل نئے آرٹیکل کی جگہ لے کر اس میں ترامیم کر رہے ہیں:

سرمایہ کاری کرنے کے احکامات:

131- ڈائریکٹرز کی سفارش اور منظوری سے مشروط، کھٹی طے کر سکتی ہے کہ وہ فی الوقت ایک مخصوص رقم کی سرمایہ کاری کرنے کی خواہشمند ہے جو کھٹی کے کسی بھی ریزرو اکاؤنٹ سے یا بیع و تصمان اکاؤنٹ سے ہو یا تقسیم کیلئے کسی اور ذریعے سے دستیاب ہو اور اس کے مطابق یہ رقم اہل ممبرز میں بطور یوٹیڈ تقسیم کی جائے اور اس شرط پر اسی تناسب سے نقد کی بجائے فی الوقت ممبرز کے پاس موجود غیر ادا شدہ شیئرز کی ادائیگی کے لئے اسی تناسب سے استعمال کی جائے یا کھٹی کے غیر جاری شدہ شیئرز یا قرضہ نامہ کی مکمل ادائیگی کیلئے استعمال کئے جائیں جو حالات کے جانے ہوں یا تقسیم کئے جانے اور کریڈٹ کیلئے ہوں۔“

”مزید طے پایا کہ چیف ایگزیکٹو آفیسر اور کھٹی نیکرٹری انفرادی طور پر اس بات کے مجاز ہوں گے اور ہیں، کہ تمام عمل، کاوشیں اور امور انجام دیں اور تمام قانونی رموز مکمل کرنے کیلئے تمام ضروری کارروائیاں کریں اور مذکورہ عمل کے موثر ہونے اور اس پر عمل درآمد کیلئے رجسٹرار کے پاس مطلوبہ دستاویزات جمع کروائیں۔“

”مزید طے پایا کہ کھٹی کے آرٹیکل آف ایسوی این میں مذکورہ تبدیلی، کسی مطلوبہ ترامیم، تجدید، اضافے یا حذف کرنے سے مشروط ہوگی اور ایسی ترامیم، تجدید، اضافہ یا حذف کرنے کیلئے ممبرز سے نئی منظوری حاصل کرنے کی ضرورت نہیں ہوگی۔“

پول کیلئے ہدایات

1- براہ کرم ملاحظہ فرمائیں کہ (✓) نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔

2- اگر دونوں خانوں کو (✓) کے بطور نشان زد کیا گیا ہے تو آپ کے پول کو ”مسترد“ سمجھا جائے گا۔

”میں/ ہم مندرجہ ذیل قراردادوں کے سلسلے میں پوسٹ بلیٹ کے ذریعے اپنا/ اپنے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر اپنی رضامندی یا اختلاف رائے دیتے ہیں:








قراردادوں کی توجیہ اور ترسیل	میں/ ہم قراردادوں پر رضامند ہیں (FOR)	میں/ ہم قراردادوں کے خلاف ہیں (AGAINST)
قرارداد برائے ایجنڈا آئی ایم نمبر 4		
قرارداد برائے ایجنڈا آئی ایم نمبر 5		










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E-DIVIDEND MANDATE FORM

To:

Date: _____

Subject: Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs. _____
being a/the shareholder(s) of International Industries Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividends declared by it, into my/our bank account as detailed below:

(i) Shareholder's details:	
Name of Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me/us are correct and I/we shall keep the Company informed in case of any changes in the said particulars in the future.

Yours faithfully

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

Notes:

1. Please provide complete IBAN, after checking with your bank branch, to enable electronic credit directly into your bank account.
2. This letter must be sent to the shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company.

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PROXY FORM

I/We _____
of _____
being Member(s) of International Industries Limited holding _____
Ordinary Shares hereby appoint _____
of _____ vide Folio/CDC Account no. _____ or failing him/
her _____ of _____ who is
also a member of International Industries Limited vide Folio/CDC Account no.
_____ as my/our proxy in my/our absence to attend, speak and vote for me/us
and on my/our behalf at the 75th Annual General Meeting of the Company to be held on
Wednesday, September 27, 2023 in Karachi and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2023.

Signed by the said _____

- In the presence of
- Signature: _____
Name: _____
Address: _____
CNIC/Passport No: _____
 - Signature: _____
Name: _____
Address: _____
CNIC/Passport No: _____

Signature on
Revenue Stamp

Folio/CDC Account No.

This signature shall
agree with the specimen signature
as per the Company's record.

Important:

- This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, i.e., 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530, not less than 48 hours before the time of holding of the Annual General Meeting.
- No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
- If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid. For CDC Account Holders / Corporate Entities

In addition to the above, the following requirements will have to be met:

- The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
- Attested copies of the CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the Proxy Form.
- In case of a corporate entity, a Board of Directors' resolution/power of attorney, including the specimen signature of the nominee, shall be submitted to the Company along with the Proxy Form unless the same has been provided earlier.
- The proxy shall present his/her original CNIC or original passport at the time of the Annual General Meeting.

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CDC SHARE REGISTRAR SERVICES LIMITED

CDC House, 99- B, Block - B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.
Telephone Nos: +92-0800-23275
FAX: +92-21-34326053
E-mail : info@cdcsrsl.com
Website: www.cdcsrsl.com

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فارم برائے پراسی

میں ایم _____
 سکنہ _____ بحیثیت ممبر (ز) انٹرنیشنل انڈسٹریز لمیٹڈ،
 حال _____ عمومی شیئرز، بذریعہ ہذا
 سکنہ _____ کو بذریعہ فولیو ای سی ڈی سی اکاؤنٹ نمبر _____
 یا اس کی عدم دستیابی کی صورت میں _____
 سکنہ _____
 جو انٹرنیشنل انڈسٹریز لمیٹڈ کا ممبر ہے بذریعہ فولیو ای سی ڈی سی اکاؤنٹ نمبر _____ کو اپنا اہل پارسی مقرر کرتا ہوں/ا
 کرتے ہیں، جو اپنی اہل پارسی غیر حاضری میں میری اہل پارسی جگہ 27 ستمبر 2023 کو کمپنی میں مستحق ہونے والے کھٹی کے 75 ویں سالانہ اجلاس عام میں یا کسی ملتوی
 شدہ اجلاس شرکت کرنے، بولنے اور ووٹ دینے کا حقدار ہوگا ہوں گے۔

میں ایم نے اپنے ہاتھ امہر سے گواہی دی تاریخ _____ 2023

مذکورہ شخص کے دستخط _____

ریونیٹا سٹیپ پر دستخط

ان افراد کی موجودگی میں ۱۔ دستخط: _____
 نام: _____
 پتہ: _____
 CNIC/پاسپورٹ نمبر: _____

۲۔ دستخط: _____
 نام: _____
 پتہ: _____
 CNIC/پاسپورٹ نمبر: _____

فولیو ای سی ڈی سی اکاؤنٹ نمبر _____
 ایم ہدایات:

- ۱۔ یہ پراسی فارم، مکمل شدہ اور دستخط شدہ، کھٹی کے رجسٹرڈ دفتر واقع 101 بیسمنٹ فلور، 10، بیسمنٹ روڈ، کراچی۔ 75530 پر سالانہ اجلاس عام کے انعقاد کے وقت سے کم از کم 48 گھنٹے لازمی طور پر وصول ہو جائے۔
- ۲۔ کسی ایسے شخص کو پراسی مقرر نہیں کیا جاسکتا جو کھٹی کارڈ کی ممبرشپ سوانے کار پوریشن کے، جو ممبرشپ ہونے والے فرد کو پراسی مقرر کر سکتی ہے۔
- ۳۔ اگر کوئی ممبر ایک سے زیادہ پراسی مقرر کرتا ہے اور کوئی ممبر کھٹی کے پاس ایک سے زیادہ پراسی کی دستاویز جمع کرتا ہے تو ایسی تمام دستاویزات ناقابل قبول قرار دی جائیں گی۔

GDC اکاؤنٹ ہولڈرز کا رپورٹ اکائی کی صورت میں:

درج والے موادہ درج ذیل شرائط کی پورا کرتا ہوں گی:

- ۱۔ پراسی فارم پر درج ہونے والے تمام افراد کے دستخط ہونا لازمی ہے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔
- ب۔ انٹرنیشنل انڈسٹریز (ز) اور پراسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں پراسی فارم کے ساتھ فراہم کی جائیں۔
- ج۔ کارپورٹ اکائی ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد اور پاور آف اٹارنی بشمول ناخر کردہ افراد۔
- د۔ کھٹی کے دستخط پراسی فارم (اگر پہلے جمع نہ کر لیا گیا ہو) کے ساتھ کھٹی کے پاس جمع کرانے جائیں۔
- د۔ پراسی کو سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

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