

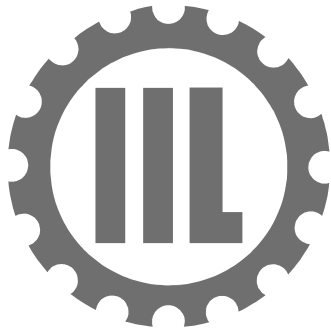
STANDING STRONG



Promising Reliability, For Now and Tomorrow

Unaudited Financial Statements

For the nine months ended March 31, 2024



International Industries Limited

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

TABLE OF CONTENT

<i>Company Information</i>	<i>03</i>
<i>Directors' Report</i>	<i>04</i>
<i>Directors' Report (Urdu)</i>	<i>06</i>
<i>Unconsolidated Condensed Interim Statement of Financial Position</i>	<i>08</i>
<i>Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)</i>	<i>09</i>
<i>Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)</i>	<i>10</i>
<i>Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)</i>	<i>11</i>
<i>Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)</i>	<i>12</i>
<i>Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)</i>	<i>13</i>
<i>Consolidated Condensed Interim Statement of Financial Position</i>	<i>29</i>
<i>Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)</i>	<i>30</i>
<i>Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)</i>	<i>31</i>
<i>Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)</i>	<i>32</i>
<i>Consolidated Condensed Interim Statement of Cash Flows (Un-audited)</i>	<i>33</i>
<i>Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)</i>	<i>34</i>

Company Information

Chairman (Non-Executive)
Mr. Kamal A. Chinoy

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

Non-Executive Directors
Mr. Mustapha A. Chinoy
Mrs. Selina Rashid Khan

Chief Executive Officer
Mr. Sohail R. Bhojani

Chief Financial Officer
Mr. Muhammad Akhtar

Company Secretary & Head of Legal Affairs
Mr. Mohammad Irfan Bhatti

Chief Internal Auditor
Mr. Muhammad Atif Khan

External Auditor
M/s A.F. Ferguson & Co.

Bankers

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

Legal Advisor
K. M. S. Law Associates

National Tax Number
0710735-8

Sales Tax Registration Number
02-04-7306-001-82

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

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

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

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

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

Subsidiaries

IIL Construction Solutions (Pvt.) Ltd.
101 Beaumont Plaza, 10 Beaumont Road,
Karachi – 75530, Pakistan
Website: www.iil.com.pk/csl

IIL Americas Inc.
Suite 210-5800
Ambler Drive, Mississauga
ONL4W4J4, Canada

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

Factories

Factory 1
LX 15-16, Landhi Industrial Area,
Karachi – 75120, Pakistan
Telephone: +9221-35080451-55
E-mail: factory@iil.com.pk

Factory 2
Survey # 405 & 406, Rehri Road,
Landhi, Karachi – 75160, Pakistan
Telephone: +9221-35017026-28, 35017030

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

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

Corporate Website
www.iil.com.pk

Directors' Report

For the nine months ended March 31, 2024

The Directors of your Company are pleased to present the financial statements for the nine months ended March 31, 2024.

Most major global economies are still struggling to overcome the challenges of high inflation, monetary tightening, and dampened demand. On the domestic front, while relative stability has been achieved in terms of key macroeconomic indicators, economic growth is expected to remain subdued in the short term. This, along with an uncertain business climate, has suppressed demand across all industrial segments, with key sectors including construction & building materials, automotive, and infrastructure registering significant declines.

Although the overall market for pipe & tubing shrank by almost 25% compared to last year, your Company was able to maintain its market share with just a minor erosion of sales volumes compared to the corresponding period last year. Against the backdrop of stagnant economic growth and uncertain business conditions, your Company's sharp focus on efficiency improvements through working capital management and cost controls helped in maintaining profit margins.

Sales revenue for the period was Rs.22.6 Bn, which was 12 % higher than the same period last year (SPLY). In terms of quantity, domestic sales were down by 5%; with export sales registering 2% increase compared to SPLY. In value terms, domestic sales were down by 16% and exports by 6% compared to SPLY. The Company continued to successfully strengthen its Balance Sheet through effective working capital management.

Despite lower volumetric sales, the Company reported a Profit After Tax of Rs. 1.33 Bn (EPS Rs. 10.09) for the first nine months of the financial year, compared to a Profit After Tax of Rs. 1.42 Bn (EPS Rs. 10.77) for the corresponding period last year. This includes gross dividend income of Rs. 1.225 Bn (SPLY: Rs. 1.142 Bn) from subsidiary and associate companies.

The Company's major subsidiary, International Steels Limited, reported a sales turnover of Rs. 56.015 Bn (SPLY: Rs. 57.824 Bn) and a Profit after Tax at Rs. 3.058 Bn (SPLY: Rs. 1.577 Bn), generating an EPS of Rs. 7.03, compared to Rs. 3.62 for the same period last year.

Developed economies are expected to perform relatively better in the next fiscal year. The International Monetary Fund (IMF) and the World Bank have projected positive global growth at 3.1% and 3.2% for FY 2024 and FY 2025, respectively. However, these estimates are contingent upon stability in oil prices which, along with supply chain pressures, are currently a source of considerable uncertainty due to the continuing Ukraine-Russia war and the escalating Middle East crises. The risks associated with global increases in commodity prices, supply chain disruptions, and rising freight costs globally, along with domestic challenges including increasing energy costs, elevated interest rates, high inflation, and absence of structural reforms in key areas will continue to pose serious challenges for the manufacturing industry.

Your Company is committed to demonstrating resilience in the face of the global and domestic economic slowdown. Relative political stability following the recent general elections, coupled with the government's efforts to bring foreign investment into the country and enter into an enhanced funding programme with the IMF should pave the way for achieving the stability and growth going forward. While cognizant of short-term challenges, the Company remains cautiously optimistic about its prospects for the next financial year.

We extend our gratitude to all stakeholders for their continued support during this time of unprecedented challenges and look forward to improvements in the Pakistan economy and business conditions in the medium term.

For & on behalf of the Board of Directors



Kamal A. Chinoy
Chairman

Karachi.

Date: April 26, 2024

ڈائریکٹرز کی رپورٹ

برائے 31 مارچ 2024

اگلے مالی سال میں ترقی یافتہ معیشتوں میں نسبتاً بہتر کارکردگی کی توقع ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) اور ورلڈ بینک نے عالمی سطح پر مالی سال 2024 اور مالی سال 2025 کیلئے بالترتیب 3.1% اور 3.2% مثبت نمو کی توقع ظاہر کی ہے۔ تاہم یہ تخمینے تیل کی قیمتوں میں استحکام اور سپلائی چین کے دباؤ سے مشروط ہے جو فی الوقت یوکرین ریشیا کی جنگ اور وسطی کے بڑھتے ہوئے بحران کے سبب خاصی غیر یقینی کیفیت سے دوچار ہے۔ عالمی سطح پر اشیاء کی قیمتوں میں اضافہ، سپلائی چین میں رکاوٹوں اور عالمی نقل و حمل کے بڑھتے ہوئے اخراجات کے خدشات کے ساتھ ساتھ ملکی چیلنجز بشمول توانائی کی کمی، بڑھتی ہوئی شرح سود، بلند افراط اور بنیادی ایریاز میں اسٹرکچرل اصلاحات نہ ہونا کاروبار کیلئے بڑے چیلنجز ہیں۔

آپ کی کمپنی عالمی اور مقامی معیشت کی سست روی کا بھرپور پلچک کے ساتھ مقابلہ کر رہی ہے۔ حال ہی ہونے والے عام انتخابات کے بعد نسبتاً بہتر سیاسی استحکام اور حکومت کی جانب سے بیرونی سرمایہ کاری لانے کی کاوشوں اور IMF کے ساتھ نئی طویل المدت فنڈنگ پر دوبارہ گفت و شنید کے سبب بین الاقوامی قرضہ فراہم کرنے والوں کی جانب سے استحکام اور نمو کی پیش گوئی درست ہونے کا امکان ہے۔ قلیل المدت چیلنجز کے پیش نظر، کمپنی اگلے مالی سال میں نئے امکانات کیلئے پرامید ہے۔

ہم غیر معمولی چیلنجز کے دور میں اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون کے لئے شکرگزار ہیں اور پاکستان کی معیشت اور وسط مدت میں کاروباری حالات کی بہتری کی توقع رکھتے ہیں۔

برائے اور منجانب
انٹرنیشنل انڈسٹریز لمیٹڈ

کمال اے چنائے
چیسر مین

کراچی

مورخہ 26 اپریل 2024

ڈائریکٹرز کی رپورٹ

برائے 31 مارچ 2024

آپ کی کمپنی کے ڈائریکٹرز مالیاتی اسٹیٹمنٹ برائے نو ماہ مختتمہ 31 مارچ 2024 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اکثر بڑی عالمی معیشتیں ابھی بھی بلند افراط زر، مانیٹری سختی، طلب میں کمی کے ساتھ ساتھ وبا کے بعد مجموعی بحالی کے چیلنجز کا مقابلہ کرنے میں مصروف ہیں۔ ملکی محاذ پر بنیادی میکرو اکنامک کے اشاریے کے مطابق نسبتاً استحکام کی صورتحال نظر آئی ہے اور قلیل المدت میں معاشی نمو کے دباؤ میں رہنے کی توقع ہے۔ اس کے ساتھ کاروباری ماحول کی غیر یقینی کیفیت نے تمام صنعتی شعبوں، خاص طور پر بنیادی شعبوں بشمول تعمیرات اور تعمیراتی سامان، آٹو موٹیو اور انفراسٹرکچر کی طلب میں نمایاں کمی دیکھنے میں آئی ہے۔

اگرچہ پائپ اور ٹیوبنگ کیلئے مجموعی طور پر گزشتہ سال کے مقابلے میں تقریباً 25% کمی آئی ہے، آپ کی کمپنی نے سیلز کے حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں معمولی کمی کے ساتھ مارکیٹ شیئر برقرار رکھا ہے۔ معاشی نمو میں جمود اور مایوس کن کاروباری صورتحال کے پس منظر میں، آپ کی کمپنی جاری سرمایہ کی منجمنٹ اور قیمتوں پر کنٹرول کے ذریعے مسلسل بہتر استعداد پر گہری توجہ دے رہی ہے جس کے باعث سیلز کے حجم میں کمی کے باوجود منافع کے مارجن کو برقرار رکھا گیا ہے۔

زیر جائزہ مدت میں سیلز کی آمدنی 22.6 بلین روپے ہوئی، جو گزشتہ سال کی اسی مدت (SPLY) کے مقابلے میں 12% زیادہ ہے۔ مقامی سیلز میں مقدار کے لحاظ سے 5% کمی ہوئی، تاہم برآمدی سطح پر گزشتہ سال کی اسی مدت کے مقابلے میں 2% اضافہ ہوا۔ مقامی سیلز میں قیمت کے لحاظ سے گزشتہ سال کی اسی مدت کے مقابلے میں 16% کمی اور برآمدات میں 6% کمی ریکارڈ کی گئی۔ کمپنی جاری سرمایہ کی منجمنٹ کی بہترین حکمت عملی کے سبب اپنی بیلنس شیٹ کو مستقل طور پر مضبوط رکھنے میں کامیاب ہے۔

سیلز کے حجم میں کمی کے باوجود منافع میں بہتری رہی اور پہلے نو ماہ کے عرصے میں کمپنی کو بعد از ٹیکس 1.33 بلین روپے منافع (فی شیئر 10.09 روپے) حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس منافع 1.42 بلین روپے (فی شیئر 10.77 روپے) حاصل ہوا تھا۔ اس میں ذیلی اور ایسوسی ایٹڈ کمپنیز سے حاصل ہونے والی ڈیویڈنڈ کی مجموعی آمدنی 1.225 بلین روپے شامل ہے۔ (گزشتہ سال کی اسی مدت میں: 1.142 بلین روپے) کمپنی کے بڑے ذیلی ادارے، انٹرنیشنل اسٹیل لمیٹڈ (ISL) کی سیلز کی آمدنی 56.015 بلین روپے حاصل ہوئی۔ (گزشتہ سال کی اسی مدت میں: 57.824 بلین روپے) اور بعد از ٹیکس منافع 3.058 بلین روپے حاصل ہوا (گزشتہ سال کی اسی مدت میں 1.577 بلین روپے) جس کے باعث فی شیئر آمدنی 7.03 روپے رہی جو گزشتہ سال کے اسی عرصے میں 3.62 روپے تھی۔

UNCONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

For the nine months ended March 31, 2024

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2024

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,063,401	9,874,046
Intangible assets		1,424	2,630
Investments	6	3,372,515	3,372,515
Long-term deposits		1,808	1,806
Deferred taxation - net		105,783	-
		<u>13,544,931</u>	<u>13,250,997</u>
CURRENT ASSETS			
Stores and spares		217,690	243,094
Stock-in-trade	7	10,941,382	14,105,808
Trade debts		4,480,569	5,270,752
Advances, trade deposits and prepayments		88,554	98,707
Other receivables	8	37,436	41,884
Sales tax receivable		-	672,749
Cash and bank balances		975,229	212,471
		<u>16,740,860</u>	<u>20,645,465</u>
Asset classified as held for sale	8	109,838	59,865
		<u>16,850,698</u>	<u>20,705,330</u>
TOTAL ASSETS		<u>30,395,629</u>	<u>33,956,327</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,700,036	2,700,036
Unappropriated profit		7,191,678	6,322,088
Capital reserve			
Revaluation surplus on property, plant and equipment		4,833,412	4,908,327
TOTAL SHAREHOLDERS' EQUITY		<u>16,043,945</u>	<u>15,249,270</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	9	3,748,977	4,004,213
Deferred income - Government grant		32,296	39,961
Gas Infrastructure Development Cess	10	-	42,625
Staff retirement benefits		177,520	165,520
Deferred taxation - net		-	34,467
		<u>3,958,793</u>	<u>4,286,786</u>
CURRENT LIABILITIES			
Trade and other payables	11	4,500,760	4,223,289
Contract liabilities		583,398	925,354
Short-term borrowings - secured	12	3,621,791	7,345,342
Unclaimed dividend		38,231	46,149
Current portion of long-term financing - secured	9	313,307	608,826
Taxation - net		1,122,888	902,572
Sales tax payable		85,941	-
Accrued mark-up		126,575	368,739
		<u>10,392,891</u>	<u>14,420,271</u>
TOTAL LIABILITIES		<u>14,351,684</u>	<u>18,707,057</u>
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		<u>30,395,629</u>	<u>33,956,327</u>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

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

For the period ended March 31, 2024

	Note	Nine months ended		Three months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
Revenue from contracts with customers	14	22,601,779	20,191,535	6,000,878	7,202,303
Cost of sales	15	(19,388,897)	(17,730,134)	(5,327,443)	(6,161,733)
Gross profit		3,212,882	2,461,401	673,435	1,040,570
Selling and distribution expenses		(1,013,793)	(1,106,776)	(372,148)	(336,570)
Administrative expenses		(290,417)	(266,088)	(89,856)	(105,277)
(Charge) / reversal of loss allowance on trade debts		(47,813)	(26,719)	1,497	(24,504)
		(1,352,023)	(1,399,583)	(460,507)	(466,351)
Operating profit		1,860,859	1,061,818	212,928	574,219
Finance cost		(1,122,165)	(1,300,035)	(293,474)	(371,274)
Other operating charges		(65,150)	(57,677)	(2,464)	(51,292)
		(1,187,315)	(1,357,712)	(295,938)	(422,566)
Other income	16	1,250,545	2,116,064	667,803	585,266
Profit before tax		1,924,089	1,820,170	584,793	736,919
Income tax expense	17	(593,917)	(399,457)	(119,572)	(80,413)
Profit after tax for the period		1,330,172	1,420,713	465,221	656,506
Earnings per share - basic and diluted (Rupees)		10.09	10.77	3.53	4.98

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the period ended March 31, 2024

	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Profit after tax for the period	1,330,172	1,420,713	465,221	656,506
Other comprehensive income / (loss)				
Items that will not be subsequently reclassified to unconsolidated statement of profit or loss				
Remeasurement of staff retirement benefits				
- Adjustment related to opening deferred tax balance	775	4,747	(1,036)	1,132
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance	(8,744)	(41,410)	10,871	(9,877)
Other comprehensive (loss) / income for the period - net of tax	(7,969)	(36,663)	9,835	(8,745)
Total comprehensive income for the period	1,322,203	1,384,050	475,056	647,761

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the period ended March 31, 2024

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserve	Unappropriated profit	Revaluation surplus on property, plant and equipment	
(Rupees in '000)					
Balance as at July 1, 2022	1,318,819	2,700,036	5,465,105	5,110,255	14,594,215
Profit after tax for the period	-	-	1,420,713	-	1,420,713
Other comprehensive income / (loss) for the period	-	-	4,747	(41,410)	(36,663)
Total comprehensive income / (loss) for the period	-	-	1,425,460	(41,410)	1,384,050
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	81,492	(81,492)	-
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)
Balance as at March 31, 2023	1,318,819	2,700,036	6,180,766	4,987,353	15,186,974
Balance as at July 1, 2023	1,318,819	2,700,036	6,322,088	4,908,327	15,249,270
Profit after tax for the period	-	-	1,330,172	-	1,330,172
Other comprehensive income / (loss) for the period	-	-	775	(8,744)	(7,969)
Total comprehensive income / (loss) for the period	-	-	1,330,947	(8,744)	1,322,203
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	66,171	(66,171)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	-	(263,764)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2024	-	-	(263,764)	-	(263,764)
Balance as at March 31, 2024	1,318,819	2,700,036	7,191,678	4,833,412	16,043,945

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the period ended March 31, 2024

1. STATUS AND NATURE OF BUSINESS

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

The manufacturing facilities of the Company are situated as follows:

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

The sales offices of the Company are situated as follows:

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

For the period ended March 31, 2024

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

- 2.1.2** These unconsolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.
- 2.1.3** The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2023, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended March 31, 2023.
- 2.1.4** These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Changes in accounting standards, interpretations and pronouncements

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

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

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

For the period ended March 31, 2024

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

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital stores and spares)	Total
	----- (Rupees in '000) -----		
Cost / revalued amount			
Balance at beginning of the period	13,854,631	71,446	13,926,077
Additions	-	711,498	711,498
Transfers	376,141	(376,141)	-
Disposals	(25,272)	-	(25,272)
Asset classified as held for sale	(113,432)	-	(113,432)
	<u>14,092,068</u>	<u>406,803</u>	<u>14,498,871</u>
Accumulated depreciation			
Balance at beginning of the period	(3,992,166)	-	(3,992,166)
Charge for the period	(463,706)	-	(463,706)
Disposals	16,808	-	16,808
Asset classified as held for sale	3,594	-	3,594
	<u>(4,435,470)</u>	<u>-</u>	<u>(4,435,470)</u>
Written down value as at March 31, 2024 (Un-audited)	<u><u>9,656,598</u></u>	<u><u>406,803</u></u>	<u><u>10,063,401</u></u>
Written down value as at June 30, 2023 (Audited)	<u>9,862,465</u>	<u>71,446</u>	<u>9,933,911</u>

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

For the period ended March 31, 2024

6. INVESTMENTS

(Un-audited) March 31, 2024 (Number of shares)	(Audited) June 30, 2023		(Un-audited) March 31, 2024 ----- (Rupees in '000) -----	(Audited) June 30, 2023
---	-------------------------------	--	---	-------------------------------

Quoted Companies

245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	2,450,555	2,450,555
7,615,588	7,615,588	Pakistan Cables Limited (PCL) - associated company, at cost	817,553	817,553

Un-quoted Companies

150,000	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	17,966	17,966
100,000	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	9,168	9,168
7,727,270	7,727,270	IIL Construction Solutions (Private) Limited (IIL CSL) - subsidiary company, at cost	77,273	77,273
			3,372,515	3,372,515

7. STOCK-IN-TRADE

Note

Raw material - in hand	7.1	3,458,324	6,768,397
- in transit		3,058,599	1,540,685
		6,516,923	8,309,082
Work-in-process		873,274	1,164,330
Finished goods		3,323,977	4,424,204
By-products		22,444	24,950
Scrap material		204,764	183,242
		10,941,382	14,105,808

7.1 Raw material amounting to Rs. 3.18 million as at March 31, 2024 (June 30, 2023: Rs. 2.8 million) was held at a vendor's premises for the production of pipe caps.

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

For the period ended March 31, 2024

- 9.1** 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 and HX - 7/4, Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi.
- 9.1.1** In relation to the above borrowings, the Company needs to observe certain non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.
- 9.2** 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.
- 9.3** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Long Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 9.4** This represents long-term loans obtained by the Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.
- 9.5** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for Solar power project.

10. GAS INFRASTRUCTURE DEVELOPMENT CESS

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

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

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

		(Un-audited)	(Audited)
	Note	March 31, 2024	June 30, 2023
----- (Rupees in '000) -----			
11. TRADE AND OTHER PAYABLES			
Trade creditors		298,217	643,310
Bills payable		1,855,366	1,381,901
Accrued expenses	11.1	976,255	962,029
Provision for Infrastructure Cess	11.2	1,189,696	1,079,268
Short-term compensated absences		7,428	6,434
Workers' Profit Participation Fund		37,959	5
Workers' Welfare Fund	11.3	119,504	138,390
Current portion of deferred income - Government grant		9,740	9,998
Others		6,595	1,954
		4,500,760	4,223,289

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

For the period ended March 31, 2024

- 11.1** These includes the current portion of Gas Infrastructure Development Cess amounting to Rs. 354.87 million (June 30, 2023: Rs. 299.07 million).

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 114.49 million (June 30, 2023: Rs. 125.49 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 1, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Company preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. The Company is considering an appeal before the Supreme Court against the said order, however, in the meantime 25% of the differential has been deposited with the SSGC under protest.

- 11.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,292 million (June 30, 2023: Rs. 1,207 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 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 SHC declared the first four versions of the law unconstitutional and a release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Company was not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).

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

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

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

For the period ended March 31, 2024

	Note	(Un-audited) March 31, 2024 ----- (Rupees in '000) -----	(Audited) June 30, 2023
12. SHORT-TERM BORROWINGS - secured			
CONVENTIONAL			
Running finance under mark-up arrangement from banks	12.1	296,539	1,283,363
Short-term borrowing under Money Market Scheme maturing within three months	12.1	-	2,326,191
Short-term borrowing under Export Refinance Scheme	12.2	1,650,000	2,301,000
Short-term borrowing under Export Finance Scheme	12.3	983,058	207,463
ISLAMIC			
Short-term borrowing under Money Market Scheme maturing within three months		-	925,000
Short-term borrowing under Running Musharakah maturing within three months	12.4	562,194	102,325
Short-term borrowing under Export Refinance Scheme	12.2	130,000	200,000
		<u>3,621,791</u>	<u>7,345,342</u>

12.1 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 facilities range from 21.51% to 22.75% (June 30, 2023: 21.18% to 22.63%) per annum.

12.2 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 19.00% (June 30, 2023: 12.50% to 18.00%) per annum. These facilities will mature within six months and are renewable.

12.3 The Company has obtained short-term finance under Export Finance Scheme (post discount) of the State Bank of Pakistan from commercial banks. The rates of mark-up on these facilities range from 2.00% to 3.00% (June 30, 2023: 2.00% to 2.50%)

12.4 The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 21.56% to 22.45% (June 30, 2023: 21.41% to 22.38%) per annum.

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

For the period ended March 31, 2024

12.5 As at March 31, 2024, the unavailed facilities from the above borrowings amounted to Rs. 16,043 million (June 30, 2023: Rs. 12,224 million).

12.6 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.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

13.1.1 In connection to the application challenging the chargeability of tax on inter corporate dividends from the Company's subsidiary. International Steels Limited (ISL), the Company has filed various constitutional petitions before the SHC covering past dividends issued by ISL. Stay orders were granted in each respective case against submission of bank guarantees amounting Rs. 664.71 million (June 30, 2023: Rs. 664.71 million). The SHC has dismissed the petitions. The Company preferred an appeal before the Supreme Court of Pakistan against all such dismissal orders by the SHC.

13.2 Commitments

13.2.1 Capital expenditure commitments outstanding as at March 31, 2024 amounted to Rs. NIL (June 30, 2023: Rs. 183.42 million).

13.2.2 Commitments under letters of credit for raw materials and stores and spares as at March 31, 2024 amounted to Rs. 2,522.77 million (June 30, 2023: Rs. 769.56 million).

13.2.3 Commitments under purchase contracts as at March 31, 2024 amounted to Rs. 315.07 million (June 30, 2023: Rs. 832.20 million).

13.2.4 The facilities for opening letters of credit and guarantees from banks as at March 31, 2024 amounted to Rs. 18,200 million (June 30, 2023: Rs. 14,800 million) and Rs. 4,600 million (June 30, 2023: Rs. 3,050 million) respectively, of which the unutilised balance at period-end amounted to Rs. 15,677 million (June 30, 2023: Rs. 13,847 million) and Rs. 1,246 million (June 30, 2023: Rs. 77 million) respectively.

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

For the period ended March 31, 2024

	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
14. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of goods less returns				
Local	24,403,874	20,353,980	6,457,923	7,742,757
Sales tax	(3,747,695)	(2,856,476)	(1,151,881)	(1,091,067)
Trade discounts	(1,853,243)	(1,355,092)	(581,678)	(599,354)
	18,802,936	16,142,412	4,724,364	6,052,336
Export	3,816,075	4,073,311	1,278,617	1,169,767
Export commission & discounts	(17,232)	(24,188)	(2,103)	(19,800)
	3,798,843	4,049,123	1,276,514	1,149,967
	22,601,779	20,191,535	6,000,878	7,202,303

15. COST OF SALES

This includes Rs. 140 million against the reversal of provision in respect of short shipment of hot rolled coil which was recognised in prior year. The reversal represents the compensation of loss received from the Shipping Company amounting to Rs. 118.80 million and the remaining balance of Rs. 21.20 million (net of claim refundable) is received from the insurance company.

16. OTHER INCOME

This includes dividend income from subsidiary and associated companies amounting to Rs. 1,225.30 million (March 31, 2023: Rs. 1,142.40 million).

	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
17. INCOME TAX EXPENSE				
Current	730,275	466,631	151,743	89,024
Prior	11,861	-	-	-
Deferred	(148,219)	(67,174)	(32,171)	(8,611)
	593,917	399,457	119,572	80,413

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

For the period ended March 31, 2024

	Note	(Un-audited)	
		Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
18. CASH GENERATED FROM OPERATIONS			
Profit before income tax		1,924,089	1,820,170
Add/(less): Adjustment for non-cash charges and other items			
Depreciation of property, plant and equipment		463,706	446,556
Amortisation of intangible assets		1,058	1,028
Charge of loss allowance on trade debts		47,813	26,719
Provision for staff retirement benefits		54,000	41,780
Provision for compensated absences		11,054	15,521
Provision for stores and spares		29,711	-
Income on bank deposits		(14,738)	(5,220)
Gain on disposal of property, plant and equipment		(17,126)	(16,708)
(Gain) / loss on remeasurement of Gas Infrastructure Development Cess		(35)	(5,640)
Unwinding of Gas Infrastructure Development Cess		12,080	16,719
Dividend income		(1,225,278)	(1,142,351)
Government grant income		(7,922)	(10,191)
Finance cost		1,110,085	1,283,316
		2,388,497	2,471,699
Changes in working capital	18.1	4,339,970	5,858,122
		6,728,467	8,329,821
18.1 Working capital changes			
Decrease /(Increase) in current assets:			
Stores and spares		(4,307)	10,682
Stock-in-trade		2,948,507	3,780,070
Trade debts		742,370	4,249,484
Advances, trade deposits and prepayments		10,153	(1,909,436)
Other receivables		4,448	1,014
Sales tax receivable		672,749	34,875
		4,373,920	6,166,689
(Decrease) / Increase in current liabilities:			
Trade and other payables		222,065	(927,367)
Contract liabilities		(341,956)	434,599
Sales tax payable		85,941	184,201
		(33,950)	(308,567)
		4,339,970	5,858,122

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

For the period ended March 31, 2024

		(Un-audited)	
		Nine months ended	
Note		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
19.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	975,229	188,470
	Running finance under mark-up arrangement from banks	12 (296,539)	(1,144,509)
	Short-term borrowing under Running Musharakah maturing within three months	12 (562,194)	(108,430)
		116,496	(1,064,469)
20.	TRANSACTIONS WITH RELATED PARTIES		

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

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

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

For the period ended March 31, 2024

	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
20.1 Transactions with related parties				
Subsidiary companies				
Sales	2,176,112	2,785,713	745,456	778,027
Purchases	2,266,430	5,078,755	210,049	1,586,760
Purchases of Fixed Assets	-	50,068	-	-
Cost of shared resources	138,576	67,591	35,793	3,555
Reimbursement of expenses	103,515	16,617	5,011	7,742
Rental income	9,573	15,619	3,191	2,968
Dividend received	1,225,278	1,102,750	612,639	-
Associated companies				
Sales	96,036	59,378	33,927	58,776
Purchases	8,904	9,911	-	1,748
Reimbursement of expenses	2,452	9,753	896	4,299
Insurance premium	-	3,206	-	1,045
Insurance claim	-	207	-	54
Dividend received	-	39,601	-	-
Dividend paid	2,534	3,802	1,267	-
Subscription	2,500	2,500	-	-
Registration and training	2,944	130	1,477	-
Key management personnel				
Remuneration and allowances	270,851	246,398	72,724	70,448
Staff retirement funds				
Contribution paid	88,690	89,951	42,945	57,607
Non-executive directors				
Directors' fee	5,900	5,425	2,400	1,900
Reimbursement of Chairman's expenses	-	1,650	-	-

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

For the period ended March 31, 2024

21. SEGMENT REPORTING

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

21.1 Segment revenue and results

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
For the nine months ended March 31, 2024				
Revenue from contracts with customers				
Local	15,151,292	3,651,645	-	18,802,936
Exports	3,798,843	-	-	3,798,843
	<u>18,950,135</u>	<u>3,651,645</u>	-	<u>22,601,779</u>
Cost of sales	<u>(16,941,590)</u>	<u>(2,447,307)</u>	-	<u>(19,388,897)</u>
Gross profit	2,008,545	1,204,338	-	3,212,882
Selling and distribution expenses	(921,810)	(91,983)	-	(1,013,793)
Administrative expenses	(268,376)	(22,041)	-	(290,417)
Charge of loss allowance on trade debts	(9,828)	(37,985)	-	(47,813)
	<u>(1,200,014)</u>	<u>(152,009)</u>	-	<u>(1,352,023)</u>
Finance cost	(940,864)	(181,301)	-	(1,122,165)
Other operating charges	(4,178)	(60,972)	-	(65,150)
	<u>(945,042)</u>	<u>(242,273)</u>	-	<u>(1,187,315)</u>
Other income	25,267	-	1,225,278	1,250,545
(Loss) / Profit before tax	<u>(111,244)</u>	<u>810,056</u>	<u>1,225,278</u>	<u>1,924,089</u>
Income tax expense				(593,917)
Profit after tax for the period				<u>1,330,172</u>
For the nine months ended March 31, 2023				
Revenue from contracts with customers				
Local	13,507,408	2,635,004	-	16,142,412
Exports	4,049,123	-	-	4,049,123
	<u>17,556,531</u>	<u>2,635,004</u>	-	<u>20,191,535</u>
Cost of sales	<u>(15,586,097)</u>	<u>(2,144,037)</u>	-	<u>(17,730,134)</u>
Gross profit	1,970,434	490,967	-	2,461,401
Selling and distribution expenses	(1,032,733)	(74,043)	-	(1,106,776)
Administrative expenses	(245,438)	(20,650)	-	(266,088)
(Charge) / Reversal of loss allowance on trade debts	(51,274)	24,555	-	(26,719)
	<u>(1,329,445)</u>	<u>(70,138)</u>	-	<u>(1,399,583)</u>
Finance cost	(1,130,378)	(169,657)	-	(1,300,035)
Other operating charges	(40,095)	(17,582)	-	(57,677)
	<u>(1,170,473)</u>	<u>(187,239)</u>	-	<u>(1,357,712)</u>
Other income	973,713	-	1,142,351	2,116,064
Profit before tax	<u>444,229</u>	<u>233,590</u>	<u>1,142,351</u>	<u>1,820,170</u>
Income tax expense				(399,457)
Profit after tax for the period				<u>1,420,713</u>

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

For the period ended March 31, 2024

21.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
As at March 31, 2024 - Un-audited				
Segment assets	<u>23,173,176</u>	<u>2,250,817</u>	<u>3,372,515</u>	<u>28,796,508</u>
Segment liabilities	<u>10,061,830</u>	<u>527,837</u>	<u>-</u>	<u>10,589,667</u>
As at June 30, 2023 - Audited				
Segment assets	<u>26,606,654</u>	<u>2,260,191</u>	<u>3,372,515</u>	<u>32,239,360</u>
Segment liabilities	<u>14,163,534</u>	<u>975,375</u>	<u>-</u>	<u>15,138,909</u>

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

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Total for reportable segments assets	28,796,508	32,239,360
Unallocated assets	1,599,121	1,716,967
Total assets as per unconsolidated statement of financial position	<u>30,395,629</u>	<u>33,956,327</u>
Total for reportable segments liabilities	10,589,667	15,138,909
Unallocated liabilities	3,762,017	3,568,148
Total liabilities as per unconsolidated statement of financial position	<u>14,351,684</u>	<u>18,707,057</u>

22. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue on April 26, 2024 by the Board of Directors of the Company.



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

CONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

For the nine months ended March 31, 2024

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2024

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----		
ASSETS		
NON-CURRENT ASSETS		
	Property, plant and equipment	30,171,750
5	29,897,597	22,245
	Right-of-use assets	312,210
	Intangible assets	1,855,464
	Investment in equity accounted investee	4,077
6	1,909,627	32,365,746
	Long-term deposits	
	2,041	
	<u>32,225,095</u>	
CURRENT ASSETS		
	Stores and spares	1,247,740
	Stock-in-trade	32,531,505
7	29,987,134	5,327,874
	Trade debts	176,334
	Advances, trade deposits and prepayments	95,339
	Other receivables	1,156,198
	Sales tax receivable	2,411,238
	Cash and bank balances	42,946,228
	5,219,806	
	<u>41,652,088</u>	
	Asset classified as held for sale	59,865
8	109,838	
	<u>73,987,021</u>	<u>75,371,839</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
	Share capital	
	Issued, subscribed and paid-up capital	1,318,819
	Revenue reserves	
	General reserve	3,112,325
	Unappropriated profit	14,275,645
	Exchange translation reserves	83,445
	Capital reserve	
	Revaluation surplus on property, plant and equipment	7,068,935
	6,892,782	
	<u>26,961,603</u>	<u>25,859,169</u>
	TOTAL SHAREHOLDERS' EQUITY	
	Non-controlling interest	9,406,738
	9,824,677	
	<u>36,786,280</u>	<u>35,265,907</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
	Long-term financing - secured	5,010,199
9	4,518,425	166,699
	Deferred income - government grant	191,619
10	123,068	165,521
	Gas Infrastructure Development Cess	2,192,287
	Staff retirement benefits	15,839
	Deferred taxation - net	
	Lease liabilities	7,742,164
	7,430	
	<u>6,845,474</u>	
CURRENT LIABILITIES		
	Trade and other payables	15,023,742
11	18,413,388	2,822,281
	Contract liabilities	11,041,530
	Short-term borrowings - secured	46,149
12	6,882,079	10,024
	Unclaimed dividend	8,993
	Unclaimed dividend attributable to non-controlling interest (NCI)	1,840,449
	Current portion of long-term financing - secured	
9	9,049	
	Current portion of lease liabilities	584,421
	Taxation - net	
	Sales tax payable	584,396
	Accrued mark-up	
	679,909	
	10,690	
	1,143,532	
	584,421	
	238,828	
	<u>30,355,267</u>	<u>32,363,768</u>
	<u>37,200,741</u>	<u>40,105,932</u>
TOTAL LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
13		
	<u>73,987,021</u>	<u>75,371,839</u>

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



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

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

For the period ended March 31, 2024

	Note	Nine months ended		Three months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
Revenue from contracts with customers	14	79,571,534	76,896,664	25,233,627	31,454,375
Cost of sales		(69,038,567)	(67,566,868)	(22,532,233)	(27,421,618)
Gross profit		10,532,967	9,329,796	2,701,394	4,032,757
Selling and distribution expenses		(2,901,716)	(1,734,509)	(1,219,129)	(715,436)
Administrative expenses		(692,419)	(567,195)	(212,925)	(229,371)
(Charge) / reversal of loss allowance on trade debts		(46,136)	(27,146)	2,919	(24,729)
		(3,640,271)	(2,328,850)	(1,429,135)	(969,536)
Operating profit		6,892,696	7,000,946	1,272,259	3,063,221
Finance cost		(1,684,094)	(3,358,201)	(481,251)	(775,390)
Other operating charges		(519,139)	(1,501,885)	(57,929)	(379,520)
		(2,203,233)	(4,860,086)	(539,180)	(1,154,910)
Other income		227,538	1,082,800	122,055	632,338
Share of profit in equity accounted investee		72,063	69,332	13,982	24,592
Profit before tax		4,989,064	3,292,992	869,116	2,565,241
Income tax expense	15	(1,919,707)	(1,269,181)	(274,205)	(668,665)
Profit after tax for the period		3,069,357	2,023,811	594,911	1,896,576
Profit attributable to:					
- Owners of the Holding Company		1,701,696	1,305,229	282,340	1,238,642
- Non-controlling interest (NCI)		1,367,661	718,582	312,571	657,934
		3,069,357	2,023,811	594,911	1,896,576
----- (Rupees) -----					
Earnings per share - basic and diluted		12.90	9.90	2.14	9.39

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the period ended March 31, 2024

	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
Profit after tax for the period	3,069,357	2,023,811	594,911	1,896,576
Other comprehensive income				
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss				
Remeasurements of staff retirement benefits				
- Adjustment related to opening deferred tax balance	775	4,747	(1,036)	1,132
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance on buildings	(52,509)	(41,410)	11,047	(9,877)
Proportionate share of surplus on revaluation of land and buildings of equity accounted investee	(23,360)	550,457	-	355
Related deferred tax for the period	5,840	(104,587)	-	(68)
	(17,520)	445,870	-	287
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss				
Foreign operations - foreign currency translation difference	(7,941)	42,289	(11,448)	33,691
Proportionate share of other comprehensive income of equity accounted investee	4,755	(768)	6,995	2
Other comprehensive (loss) / income for the period	(72,440)	450,728	5,558	25,235
Total comprehensive income for the period	<u>2,996,917</u>	<u>2,474,539</u>	<u>600,469</u>	<u>1,921,811</u>
Total comprehensive income attributable to:				
- Owners of the Holding Company	1,629,256	1,755,957	287,898	1,263,877
- Non-controlling interest (NCI)	1,367,661	718,582	312,571	657,934
	<u>2,996,917</u>	<u>2,474,539</u>	<u>600,469</u>	<u>1,921,811</u>

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



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

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

For the period ended March 31, 2024

	Attributable to owners of the Holding Company					Capital reserve Revaluation surplus on property, plant and equipment	Total	Non- controlling interest	Total equity
	capital	Revenue reserves			Total revenue reserves				
		General reserve	Unappropriated profit	Exchange translation reserves					
	(Rupees in '000)								
Balance as at July 1, 2022	1,318,819	2,991,258	12,699,443	27,392	15,718,093	6,986,115	24,023,027	9,376,528	33,399,555
Profit after tax for the period	-	-	1,305,229	-	1,305,229	-	1,305,229	718,582	2,023,811
Other comprehensive (loss) / income for the period	-	-	(100,608)	42,289	(58,319)	509,047	450,728	-	450,728
Total comprehensive income for the period	-	-	1,204,621	42,289	1,246,910	509,047	1,755,957	718,582	2,474,539
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	-	-	118,569	-	118,569	(118,569)	-	-	-
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	2,072	-	2,072	(2,072)	-	-	-
Transactions with owners recorded directly in equity									
Distributions to owners of Holding Company - Final dividend @ 60% (Rs. 6.00 per share) for the year ended June 30, 2022	-	-	(791,291)	-	(791,291)	-	(791,291)	-	(791,291)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(854,750)	(854,750)
Balance as at March 31, 2023	<u>1,318,819</u>	<u>3,112,325</u>	<u>13,112,347</u>	<u>69,681</u>	<u>16,294,353</u>	<u>7,374,521</u>	<u>24,987,693</u>	<u>9,240,360</u>	<u>34,228,053</u>
Balance as at July 1, 2023	1,318,819	3,112,325	14,275,645	83,445	17,471,415	7,068,935	25,859,169	9,406,738	35,265,907
Profit after tax for the period	-	-	1,701,696	-	1,701,696	-	1,701,696	1,367,661	3,069,357
Other comprehensive income / (loss) for the period	-	-	11,370	(7,941)	3,429	(75,869)	(72,440)	-	(72,440)
Total comprehensive income / (loss) for the period	-	-	1,713,066	(7,941)	1,705,125	(75,869)	1,629,256	1,367,661	2,996,917
Proportionate share of transfer to general reserves of equity accounted investee	-	110,107	(110,107)	-	-	-	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	98,026	-	98,026	(98,026)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	2,964	-	2,964	(2,258)	706	-	706
Transactions with owners recorded directly in equity									
Distributions to owners of Holding Company - Final dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	-	(263,764)	-	(263,764)	-	(263,764)
- Interim dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2024	-	-	(263,764)	-	(263,764)	-	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(949,722)	(949,722)
Balance as at March 31, 2024	<u>1,318,819</u>	<u>3,222,432</u>	<u>15,452,066</u>	<u>75,504</u>	<u>18,750,002</u>	<u>6,892,782</u>	<u>26,961,603</u>	<u>9,824,677</u>	<u>36,786,280</u>

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the period ended March 31, 2024

	Note	Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	16	15,652,519	26,370,364
Finance cost paid		(1,938,065)	(3,426,828)
Income on bank deposits received		289,765	61,231
Staff retirement benefits paid		(70,842)	(69,372)
Payment on account of compensated absences		(17,735)	(26,351)
Income tax paid - net		(2,835,774)	(2,219,976)
Net cash generated from / (used in) operating activities		11,079,868	20,689,068
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(1,744,115)	(1,354,430)
Payment for acquisition of intangible assets		(90,738)	(88,189)
Proceeds from disposal of property, plant and equipment		83,346	104,868
Investments in Term Deposit Receipt		-	-
Dividend received		-	39,601
Net cash (used in) / generated from investing activities		(1,751,507)	(1,298,150)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		-	3,389,685
Repayment of long-term financing		(960,845)	(3,225,218)
(Repayments) / proceeds from short-term borrowings - net		161,035	(3,185,781)
Lease rentals paid		(10,472)	(4,621)
Dividends paid to non-controlling interest		(950,697)	(854,611)
Dividends paid to shareholders of the Holding Company		(535,016)	(793,329)
Net cash (used in) / generated from financing activities		(2,295,995)	(4,673,875)
Net increase in cash and cash equivalents		7,032,366	14,717,043
Cash and cash equivalents at beginning of the period		(3,133,006)	(19,741,322)
Effects of exchange rate changes in cash and cash equivalents		(32,575)	(46,508)
Cash and cash equivalents at end of the period	17	3,866,785	(5,070,787)

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the period ended March 31, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of International Industries Limited (the Holding Company), its 56.33%-owned subsidiary International Steels Limited (ISL), its wholly-owned subsidiary IIL Construction Solutions (Private) Limited (IIL CSL) and its wholly-owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia) and IIL Americas Inc. (IIL Americas) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% interest in an equity accounted investee, Pakistan Cables Limited (PCL).

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

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

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

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

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

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

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

For the period ended March 31, 2024

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

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

For the period ended March 31, 2024

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

2.1.2 The comparative Consolidated Condensed Interim Statement of Financial Position presented in these consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements for the year ended June 30, 2023, whereas the comparative Consolidated Condensed Interim Statement of Profit or Loss, Consolidated Condensed Interim Statement of Comprehensive Income, Consolidated Condensed Interim Statement of Cash Flows and Consolidated Condensed Interim Statement of Changes in Equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended March 31, 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Basis of consolidation

2.4.1 Subsidiaries

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

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

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

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

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

For the period ended March 31, 2024

2.4.2 Transactions and non-controlling interests

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

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

For the period ended March 31, 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital spares)	Total
	----- (Rupees in '000) -----		
Cost / revalued amount			
Balance at beginning of the period	42,010,590	1,323,348	43,333,938
Additions	1,908	1,604,376	1,606,284
Translation reserve	137,830	-	137,830
Adjustments / transfers - net	1,262,670	(1,262,670)	-
Disposals	(154,105)	-	(154,105)
Asset classified as held for sale	(113,432)	-	(113,432)
	<u>43,145,461</u>	<u>1,665,054</u>	<u>44,810,515</u>
Accumulated depreciation			
Balance at beginning of the period	(13,102,323)	-	(13,102,323)
Charge for the period	(1,906,800)	-	(1,906,800)
Disposals	92,611	-	92,611
Asset classified as held for sale	3,594	-	3,594
	<u>(14,912,918)</u>	<u>-</u>	<u>(14,912,918)</u>
Written down value as at			
March 31, 2024 (Un-audited)	<u>28,232,542</u>	<u>1,665,054</u>	<u>29,897,597</u>
Written down value as at			
June 30, 2023 (Audited)	<u>28,848,402</u>	<u>1,323,348</u>	<u>30,171,750</u>
		(Un-audited)	(Audited)
		March 31,	June 30,
	Note	2024	2023
		----- (Rupees in '000) -----	

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Pakistan Cables Limited (PCL)			
- associated company	6.1	<u>1,909,627</u>	<u>1,855,464</u>

6.1 The Holding Company holds a 17.124% (June 30, 2023: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the companies have common directorships. The price per share of PCL as at reporting date was Rs. 126.33 (June 30, 2023: Rs. 82.92) resulting in a market value of total investment amounting to Rs. 962.08 million (June 30, 2023: Rs. 631.48 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at December 31, 2023 as the latest financial statements as at March 31, 2024 were presently not available.

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

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

For the period ended March 31, 2024

			(Un-audited) March 31, 2024	(Audited) June 30, 2023
		Note	----- (Rupees in '000) -----	
7.	STOCK-IN-TRADE			
	Raw material - in hand	7.1	7,342,601	12,615,638
	- in transit		<u>9,119,080</u>	<u>5,499,968</u>
			16,461,681	18,115,606
	Work-in-process		3,060,448	1,623,223
	Finished goods - in hand		9,572,438	12,168,747
	- in transit		602,227	387,918
	By-products		80,746	29,893
	Scrap material		209,594	206,118
			<u>29,987,134</u>	<u>32,531,505</u>

7.1 Raw material of the Holding Company amounting to Rs. 3.2 million as at March 31, 2024 (June 30, 2023: Rs. 2.8 million) was held at a vendor's premises for the production of pipe caps.

			(Un-audited) March 31, 2024	(Audited) June 30, 2023
		Note	----- (Rupees in '000) -----	

8. ASSET CLASSIFIED AS HELD FOR SALE

	Operating asset	8.1	<u>109,838</u>	<u>59,865</u>
--	-----------------	-----	-----------------------	---------------

8.1 This represents carrying value of Rs 59.86 million pertaining to warehouse located at Plot no. NEIR - 61, Khasra no. 3303-3308, Hadbast Mouza Naulakha, GT Road, Lahore and Rs. 49.97 million pertaining to warehouse located at Plot no. 47, Khasra no. 2978/1-2981/1, Ghoray Shah Road, Lahore.

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

For the period ended March 31, 2024

9. LONG-TERM FINANCING - secured	Note	(Un-audited)	(Audited)
		March 31, 2024	June 30, 2023
		----- (Rupees in '000) -----	
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	9.2	862,314	1,142,506
Long-Term Finance		281,723	677,178
Temporary Economic Refinance Facility (TERF)	9.3	462,190	493,003
		<u>1,606,227</u>	<u>2,312,687</u>
ISLAMIC			
Diminishing Musharakah		3,011,364	3,079,545
Islamic Long-Term Finance Facility (ILTFF)	9.4	431,475	489,217
Islamic Temporary Economic Refinance Facility (ITERF)	9.5	230,462	240,285
Islamic Finance Facility for Renewabale Energy (IFRE)	9.6	80,000	80,000
		<u>3,753,301</u>	<u>3,889,047</u>
		<u>5,359,528</u>	<u>6,201,734</u>
Less: Deferred income - government grant		(161,194)	(205,331)
Less: Current portion of long-term financing:			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)		(351,874)	(352,869)
Long-Term Finance		(147,159)	(395,455)
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
		<u>(560,658)</u>	<u>(809,949)</u>
ISLAMIC			
Diminishing Musharakah		(11,364)	(79,545)
Islamic Long-Term Finance Facility (ILTFF)		(78,795)	(76,133)
Islamic Temporary Economic Refinance Facility (ITERF)		(21,092)	(12,577)
Islamic Finance Facility for Renewabale Energy (IFRE)		(8,000)	(8,000)
		<u>(679,909)</u>	<u>(986,204)</u>
		<u>4,518,425</u>	<u>5,010,199</u>

9.1 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.).

9.1.1 In relation to the above borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreements with various lenders which are complied with as of the reporting date.

9.2 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.

9.3 This represents finance facility loans obtained from a commercial bank by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up new industrial units.

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

For the period ended March 31, 2024

- 9.4** This represents finance facility loans obtained by the Holding Company and ISL from Islamic banks under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 9.5** This represents long-term loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available to the Holding Company from various Islamic banks at below-market interest rates.
- 9.6** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewabale Energy for solar power project.

10. GAS INFRASTRUCTURE DEVELOPMENT CESS

Supreme Court of Pakistan (SCP) upheld the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) through its judgement dated August 13, 2020 and advised the Government of Paksitan (the GoP) to intitiate 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 exceptions allowed under Section 8(2) of the GIDC Act to the industrial sector are also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

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

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

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
11. TRADE AND OTHER PAYABLES			
Trade creditors		6,951,916	4,684,877
Bills payable		1,855,366	1,381,901
Accrued expenses	11.1	3,877,142	3,782,410
Provision for Infrastructure Cess	11.2	4,899,188	4,291,707
Provision for government levies		4,339	3,094
Short-term compensated absences		25,595	25,574
Workers' Profit Participation Fund		271,911	277,336
Workers' Welfare Fund	11.3	353,539	389,776
Current portion of deferred income - government grant		38,126	38,632
Others		136,266	148,435
		18,413,388	15,023,742

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

For the period ended March 31, 2024

- 11.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 1,596.9 million (June 30, 2023: Rs. 1,344.48 million).

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 832.3 million (June 30, 2023: Rs. 843.22 million).

On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 1, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Company preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. The Holding Company is considering an appeal before the Supreme Court against the said order, however, in the meantime 25% of the differential has been deposited with the SSGC under protest.

- 11.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC) passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 5,074.5 million (June 30, 2023: Rs. 4,250 million) have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh Infrastructure Cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute has been linked with the previous infrastructure cess case.

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

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

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

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

For the period ended March 31, 2024

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----			
12. SHORT-TERM BORROWINGS - secured			
CONVENTIONAL			
Running finance under mark-up arrangement from banks	12.1	296,539	1,416,708
Short-term borrowing under Money Market Scheme maturing within three months	12.1	110,288	2,326,191
Short-term borrowing under Export Refinance Scheme	12.2	4,800,000	5,351,000
Short-term borrowing under Export Finance Scheme	12.3	983,058	207,463
Invoice Financing Liability		-	239,139
ISLAMIC			
Short-term borrowing under Running Musharakah maturing within three months		562,194	925,000
Short-term borrowing under Running Musharakah maturing within three months 12.4		-	376,029
Short-term borrowing under Export Refinance Scheme		130,000	200,000
		<u>6,882,079</u>	<u>11,041,530</u>

12.1 These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 21.51% to 22.75% (June 30, 2023: 21.18% to 22.63%) per annum. The rates of mark-up on these finances obtained by ISL range from 21.56% to 22.75% (June 30, 2023: 11.95% to 14.61%) per annum. The rates of mark-up on these finances obtained by IIL Australia is NIL (June 30, 2023: 21.75% to 22.20%) per annum.

12.2 The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities obtained by Holding Company is 19.00% (June 30, 2023: 12.50% to 18.00%) per annum. The rates of mark-up on these facilities obtained by ISL range from 19.00% (June 30, 2023: 16.50% to 17.75%) per annum. These facilities mature within six months and are renewable.

12.3 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 3.00% (June 30, 2023: 2.00% to 2.50%) per annum. These facilities mature within six months.

12.4 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 21.56% to 22.45% (June 30, 2023: 21.41% to 22.38%) per annum. The rates of profit on these finances obtained by ISL range from 21.46% to 22.36% (June 30, 2023: 22.18% to 22.48%) per annum.

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

For the period ended March 31, 2024

12.5 As at March 31, 2024, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 16,043 million (June 30, 2023: Rs. 12,224 million) and for ISL amounted to Rs. 23,589 million (June 30, 2023: Rs. 25,826 million).

12.6 The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

Holding Company

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

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

13.2 Commitments

Holding Company and ISL

13.2.1 Capital expenditure commitments outstanding as at March 31, 2024 amounted to Rs. NIL (June 30, 2023: Rs. 183.42 million).

13.2.2 Commitments under letters of credit for raw materials and stores and spares as at March 31, 2024 amounted to Rs. 13,801.77 million (June 30, 2023: Rs. 9,753.07 million).

13.2.3 Facilities for opening letters of credit and guarantees from banks as at March 31, 2024 amounted to Rs. 58,700 million (June 30, 2023: Rs. 53,100 million) and Rs. 13,400 million (June 30, 2023: Rs. 11,334 million) respectively, of which the unutilised balance at period-end amounted to Rs. 44,709 million (June 30, 2023: Rs. 43,163 million) and Rs. 2,190 million (June 30, 2023: Rs. 7,872 million) respectively.

Holding Company

13.2.4 Commitments under purchase contracts as at March 31, 2024 amounted to Rs. 315.07 million (June 30, 2023: Rs. 832.20 million).

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

For the period ended March 31, 2024

14. REVENUE FROM CONTRACTS WITH CUSTOMERS	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
Sale of goods less returns				
Local	75,313,910	74,203,148	22,614,319	29,922,081
Sales tax	(11,545,087)	(9,861,177)	(3,627,996)	(3,440,670)
Trade discounts	(3,019,211)	(1,590,747)	(1,016,162)	(681,816)
	60,749,612	62,751,224	17,970,161	25,799,595
Export	18,839,154	14,703,797	7,265,569	5,911,347
Export commission & discounts	(17,232)	(558,357)	(2,103)	(256,567)
	18,821,922	14,145,440	7,263,466	5,654,780
	79,571,534	76,896,664	25,233,627	31,454,375
15. INCOME TAX EXPENSE				
Current	2,126,390	1,114,851	311,411	514,385
Prior	12,475	-	40,415	-
Deferred	(219,158)	154,330	(77,621)	154,280
	1,919,707	1,269,181	274,205	668,665

16. CASH GENERATED FROM OPERATIONS	(Un-audited)		
	Note	Nine months ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
Profit before tax		4,989,064	3,292,992
Add / (less): adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment		1,923,054	1,648,151
Depreciation of right-of-use assets		8,098	(7,617)
Amortisation of intangible assets		1,058	1,028
Charge of loss allowance on trade debts		46,136	27,146
Provision for obsolescence against stores and spares		90,645	(41,365)
Provision for staff retirement benefits		82,842	66,636
Provision for compensated absences		17,756	25,616
Income on bank deposits		(289,765)	(61,231)
Gain on disposal of property, plant and equipment		(21,851)	(44,080)
Gain on remeasurement of Gas Infrastructure Development Cess		(6,193)	(16,052)
Share of profit from associated company		(72,063)	(69,332)
Government grant income		(29,752)	(24,756)
Unwinding of Gas Infrastructure Development Cess		53,532	75,162
Finance cost		1,626,008	3,283,039
		8,418,569	8,155,337
Changes in working capital	16.1	7,233,950	18,215,027
		15,652,519	26,370,364

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

For the period ended March 31, 2024

		(Un-audited)	
		Nine months ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
16.1	Changes in working capital	Note	
	(Increase) / decrease in current assets:		
	Stores and spares	(14,880)	(140,342)
	Stock-in-trade	2,544,371	18,081,623
	Trade debts	349,547	2,196,381
	Advances, trade deposits and prepayments	(41,278)	(8,660,562)
	Other receivables	(28,031)	54,821
	Sale tax receivable	1,156,198	1,212,042
		<u>3,965,927</u>	<u>12,743,963</u>
	(Decrease) / increase in current liabilities:		
	Trade and other payables	3,151,173	5,468,801
	Sales tax payable	584,421	-
	Contract liabilities	(467,571)	2,263
		<u>7,233,950</u>	<u>18,215,027</u>
17.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	4,835,806	1,082,722
	Running finance under mark-up arrangement from banks	(296,539)	(3,903,473)
	Short-term borrowing under Money Market scheme maturing within three months	(110,288)	-
	Short-term borrowing under Running Musharakah maturing within three months	(562,194)	(2,250,036)
		<u>3,866,785</u>	<u>(5,070,787)</u>

18. TRANSACTIONS WITH RELATED PARTIES

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

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

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

For the period ended March 31, 2024

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

	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Associated companies				
Sales	4,435,017	1,658,788	1,713,878	449,826
Purchases	29,691,829	20,367,283	5,465,573	6,851,383
Reimbursement of expenses	15,226	12,164	4,144	4,742
Insurance premium	-	3,206	-	1,045
Insurance claim	-	207	-	54
Rent income	2,186	2,172	728	724
Dividend received	-	39,601	-	-
Dividend paid	199,922	181,451	99,961	-
Registration and training	2,944	130	1,477	-
Subscription	2,500	2,500	-	-
Services	2,104	7,010	1,382	614
Key management personnel				
Remuneration and allowances	593,289	517,773	178,157	163,199
Staff retirement funds				
Contribution paid	149,134	143,437	63,155	80,390
Non-executive directors				
Directors' fee	11,200	11,725	3,900	3,700
Reimbursement of Chairman's expenses	-	1,650	-	-

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

For the period ended March 31, 2024

19. SEGMENT REPORTING

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

19.1 Segment revenue and results

For the period ended March 31, 2024	Steel coils & sheets	Steel pipes	Polymer pipes	Investment	Total
	----- (Rupees in '000) -----				
Revenue from contracts with customers					
Local	41,945,855	15,152,112	3,651,645	-	60,749,612
Exports	13,654,785	5,167,137	-	-	18,821,922
	55,600,640	20,319,249	3,651,645	-	79,571,534
Cost of sales	(48,254,132)	(18,337,128)	(2,447,307)	-	(69,038,567)
Gross profit	7,346,508	1,982,121	1,204,338	-	10,532,967
Selling and distribution expenses	(1,705,967)	(1,103,766)	(91,983)	-	(2,901,716)
Administrative expenses	(341,925)	(328,453)	(22,041)	-	(692,419)
Charge of loss allowance on trade debts	-	(8,151)	(37,985)	-	(46,136)
	(2,047,892)	(1,440,370)	(152,009)	-	(3,640,271)
Finance cost	(555,594)	(947,199)	(181,301)	-	(1,684,094)
Other operating charges	(453,989)	(4,178)	(60,972)	-	(519,139)
	(1,009,583)	(951,377)	(242,273)	-	(2,203,233)
Other income	188,287	39,251	-	-	227,538
Share of profit in equity accounted investee	-	-	-	72,063	72,063
Profit before tax	4,477,320	(370,375)	810,056	72,063	4,989,064
Income tax expense					(1,919,707)
Profit after tax for the period					<u>3,069,357</u>
For the period ended March 31, 2023					
Revenue from contracts with customers					
Local	46,465,576	13,650,643	2,635,005	-	62,751,224
Exports	6,877,841	7,267,599	-	-	14,145,440
	53,343,417	20,918,242	2,635,005	-	76,896,664
Cost of sales	(47,093,684)	(18,329,147)	(2,144,037)	-	(67,566,868)
Gross profit	6,249,733	2,589,095	490,968	-	9,329,796
Selling and distribution expenses	(427,509)	(1,232,957)	(74,043)	-	(1,734,509)
Administrative expenses	(257,766)	(288,779)	(20,650)	-	(567,195)
Charge / (reversal) of loss allowance on trade debts	-	(51,701)	24,555	-	(27,146)
	(685,275)	(1,573,437)	(70,138)	-	(2,328,850)
Finance cost	(2,043,774)	(1,144,770)	(169,657)	-	(3,358,201)
Other operating charges	(1,443,711)	(40,592)	(17,582)	-	(1,501,885)
	(3,487,485)	(1,185,362)	(187,239)	-	(4,860,086)
Other income	116,769	966,031	-	-	1,082,800
Share of profit in equity accounted investee	-	-	-	69,332	69,332
Profit before tax	2,193,742	796,328	233,590	69,332	3,292,992
Income tax expense					(1,269,181)
Profit after tax for the period					<u>2,023,811</u>

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

For the period ended March 31, 2024

	Steel coils & sheets	Steel pipes	Polymer pipes	Investments	Total
----- (Rupees in '000) -----					
19.2 Segment assets and liabilities					
As at March 31, 2024 - Un-audited					
Segment assets	<u>44,569,153</u>	<u>23,763,725</u>	<u>2,250,817</u>	<u>1,909,627</u>	<u>72,493,682</u>
Segment liabilities	<u>20,068,915</u>	<u>10,674,710</u>	<u>527,837</u>	<u>-</u>	<u>33,271,462</u>
As at June 30, 2023 - Audited					
Segment assets	<u>42,063,322</u>	<u>27,475,893</u>	<u>2,260,191</u>	<u>1,855,464</u>	<u>73,654,870</u>
Segment liabilities	<u>20,519,864</u>	<u>14,783,068</u>	<u>975,375</u>	<u>-</u>	<u>36,278,307</u>

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

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Total for reportable segments assets	72,493,682	73,654,870
Unallocated assets	1,493,339	1,716,969
Total assets as per Consolidated Condensed Interim Statement of Financial Position	<u>73,987,021</u>	<u>75,371,839</u>
Total for reportable segments liabilities	33,271,462	36,278,307
Unallocated liabilities	3,929,279	3,827,625
Total liabilities as per Consolidated Condensed Interim Statement of Financial Position	<u>37,200,741</u>	<u>40,105,932</u>

20. CORRESPONDING FIGURES

Comparative information has been reclassified or re-arranged in these consolidated condensed interim financial statements, wherever necessary, having no impact on previously reported profit or equity.

21. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue on April 26, 2024 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



Promising Reliability, For Now and Tomorrow

PAKISTAN'S NO. 1 PIPE COMPANY



www.iil.com.pk



Steel is
100% Recyclable