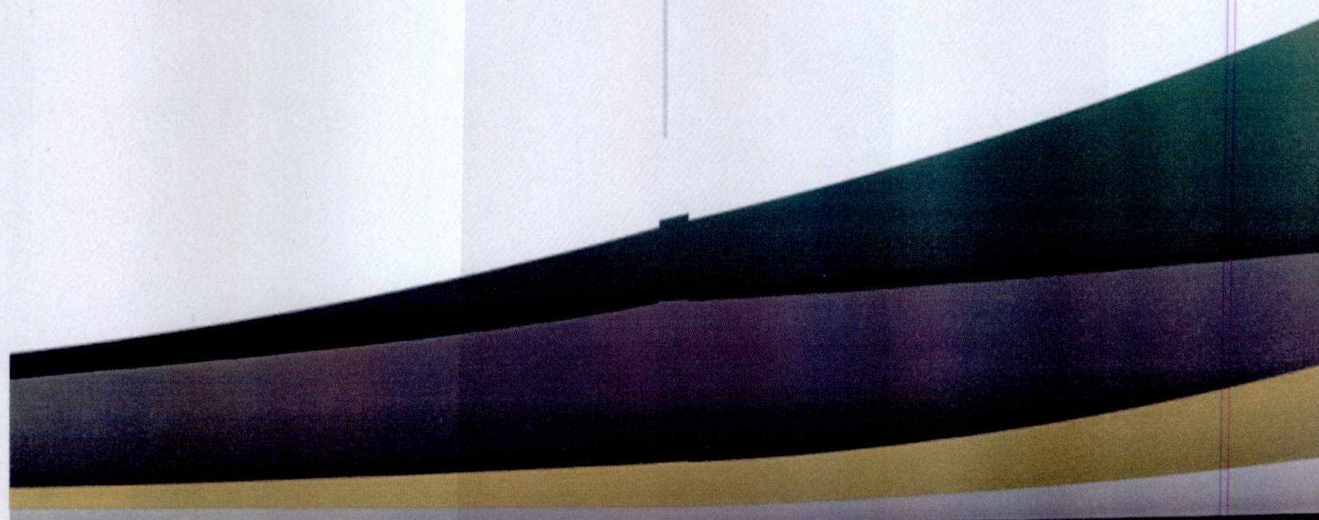




Promising Reliability, For Now and Tomorrow

UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

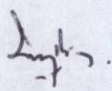
**THIRD QUARTER ENDED
31 MARCH 2013**

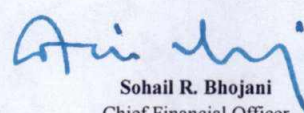


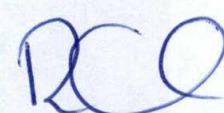
International Industries Limited
Condensed Interim Unconsolidated Balance Sheet
As at 31st March 2013

	Note	(Un-audited) 31 March 2013	(Audited) 30 June 2012
(Rupees in '000)			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	2,800,863	2,803,505
Intangible assets		5,515	8,619
Investments	6	2,583,537	2,583,537
Long term deposits		4,428	5,213
		<u>5,394,343</u>	<u>5,400,874</u>
Current Assets			
Stores and spares		125,774	137,075
Stock-in-trade	7	4,627,862	7,322,917
Trade debts	8	1,918,346	1,673,226
Advances	9	20,702	22,038
Trade deposits and short term prepayments	10	12,377	8,555
Other receivables	11	23,049	120,048
Taxation - net		289,936	360,592
Bank balances		2,673	20,908
		<u>7,020,719</u>	<u>9,665,359</u>
Total Assets		<u>12,415,062</u>	<u>15,066,233</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
200,000,000 (2012: 200,000,000)			
ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up capital		1,198,926	1,198,926
General reserves		1,848,736	1,848,736
Unappropriated profit		<u>1,164,685</u>	<u>1,126,858</u>
Total Equity		<u>4,212,347</u>	<u>4,174,520</u>
Surplus on revaluation of property, plant and equipment		999,766	1,003,155
LIABILITIES			
Non-Current Liabilities			
Long term financing	12	250,000	416,667
Deferred taxation - net		183,629	172,606
		<u>433,629</u>	<u>589,273</u>
Current Liabilities			
Trade and other payables	13	580,464	1,291,953
Short term borrowings	14	5,921,805	7,564,020
Current portion of long term financing	12	166,667	320,833
Accrued markup		100,384	122,479
		<u>6,769,320</u>	<u>9,299,285</u>
Total Liabilities		<u>7,202,949</u>	<u>9,888,558</u>
Contingencies and Commitments	15	-	-
Total Equity and Liabilities		<u>12,415,062</u>	<u>15,066,233</u>

The annexed notes 1 to 24 form an integral part of this condensed interim unconsolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Sohail R. Bhojani
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer

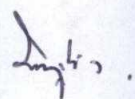
International Industries Limited

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

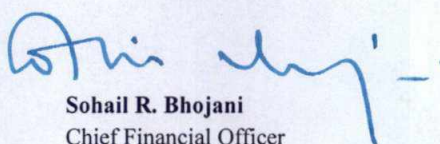
For the Nine Months and Quarter ended 31 March 2013

		Nine months period ended		Quarter ended	
	Note	31 March 2013	31 March 2012	31 March 2013	31 March 2012
		(Rupees in '000)			
Net sales	16	13,045,831	11,917,946	4,618,981	4,142,887
Cost of sales	17	(11,489,648)	(10,698,479)	(4,036,718)	(3,709,019)
Gross profit		1,556,183	1,219,467	582,263	433,868
Selling and distribution expenses		(421,073)	(290,241)	(152,092)	(95,121)
Administrative expenses		(104,020)	(108,799)	(37,604)	(34,618)
		(525,093)	(399,040)	(189,696)	(129,739)
Financial charges	18	(559,280)	(742,208)	(171,817)	(189,182)
Other operating charges	19	(54,900)	(17,946)	(18,000)	(5,414)
		(614,180)	(760,154)	(189,817)	(194,596)
Other operating income	20	86,205	51,597	23,660	(8,684)
Profit before taxation		503,115	111,870	226,410	100,849
Taxation		(109,000)	(35,500)	(34,440)	(28,300)
Profit after taxation for the period		394,115	76,370	191,970	72,549
		(Rupees)		(Rupees)	
Earnings per share - basic and diluted		3.29	0.64	1.60	0.61

The annexed notes 1 to 24 form an integral part of this condensed interim unconsolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Sohail R. Bhojani
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer

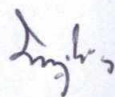
International Industries Limited

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

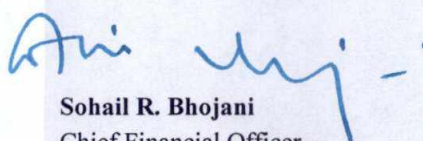
For the Nine Months and Quarter ended 31 March 2013

	Nine months period ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	----- (Rupees in '000) -----			
Profit /(loss) after taxation for the period	394,115	76,370	191,970	72,549
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>394,115</u>	<u>76,370</u>	<u>191,970</u>	<u>72,549</u>

The annexed notes 1 to 24 form an integral part of this condensed interim unconsolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Sohail R. Bhojani
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer

International Industries Limited
Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)
For the Nine Months ended 31 March 2013

		Period ended	
	Note	31 March 2013	31 March 2012
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		503,115	111,870
Adjustments for :			
Depreciation and amortisation		153,878	141,761
Provision for doubtful debts		3,446	(7,476)
Interest on bank deposits	20	(1,565)	(961)
(Gain) / loss on disposal of property, plant and equipment	20	(5,572)	5,284
Financial charges	18	559,280	742,208
		<u>1,212,582</u>	<u>992,686</u>
Movement in:			
Working capital	21	1,838,954	940,709
Long term deposits		785	4,947
		<u>3,052,321</u>	<u>1,938,342</u>
Net cash generated from operations			
Financial charges paid		(581,375)	(792,139)
Taxes paid / (recovered)		(27,321)	19,284
Net cash generated from operating activities		<u>2,443,625</u>	<u>1,165,487</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(151,658)	(293,864)
Proceeds from disposal of property, plant and equipment		9,098	8,108
Interest income received		1,631	961
Net cash used in investing activities		<u>(140,929)</u>	<u>(284,795)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	500,000
Repayment of long term financing		(320,833)	(118,750)
Dividends paid		(357,884)	(418,571)
Net cash used in financing activities		<u>(678,717)</u>	<u>(37,321)</u>
Net increase in cash and cash equivalents		1,623,980	843,371
Cash and cash equivalents at beginning of the period		(7,543,112)	(6,826,114)
Cash and cash equivalents at end of the period		<u>(5,919,132)</u>	<u>(5,982,743)</u>
Cash and cash equivalents comprise:			
Bank balances		2,673	30,148
Short term borrowings	14	(5,921,805)	(6,012,891)
		<u>(5,919,132)</u>	<u>(5,982,743)</u>

The annexed notes 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

Fuad Azim Hashimi
 Director & Chairman
 Board Audit Committee

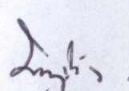
Sohail R. Bhojani
 Chief Financial Officer

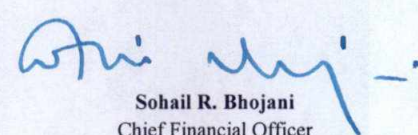
Riyaz T. Chinoy
 Chief Executive Officer


International Industries Limited
Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)
For the Nine Months ended 31 March 2013

	Issued, subscribed and paid-up capital	Revenue Reserves General reserves	Un- appropriated profit (Rupees in '000)	Total reserves	Total
Balance as at 1 July 2011	1,198,926	2,177,522	887,366	3,064,888	4,263,814
Total comprehensive income for the nine months period ended 31 March 2012					
Profit for the period	-	-	76,370	76,370	76,370
Transactions with owners recorded directly in equity - distributions					
Dividend					
-Final dividend @ 35% (Rs. 3.50 per share) for the year ended 30 June 2011			(419,624)	(419,624)	(419,624)
Total transactions with owners - distributions	-	-	(419,624)	(419,624)	(419,624)
Transfer from general reserves	-	(328,786)	328,786	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	3,390	3,390	3,390
Balance as at 31 March 2012	1,198,926	1,848,736	876,288	2,725,024	3,923,950
Balance as at 1 July 2012	1,198,926	1,848,736	1,126,858	2,975,594	4,174,520
Total comprehensive income for the nine months period ended 31 March 2013					
Profit for the period	-	-	394,115	394,115	394,115
Transactions with owners recorded directly in equity - distributions					
-Final dividend @ 20% (Rs. 2.00 per share) for the year ended 30 June 2012			(239,785)	(239,785)	(239,785)
-Interim dividend @ 10% (Rs. 1.00 per share) for the year ended 30 June 2013	-		(119,893)	(119,893)	(119,893)
Total transactions with owners - distribution	-	-	(359,678)	(359,678)	(359,678)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax			3,390	3,390	3,390
Balance as at 31 March 2013	1,198,926	1,848,736	1,164,685	3,013,421	4,212,347

The annexed notes 1 to 24 form an integral part of this condensed interim unconsolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Sohail R. Bhojani
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer

International Industries Limited

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

For the Nine Months ended 31 March 2013

1. STATUS AND NATURE OF BUSINESS

International Industries Limited ("the Company") was incorporated in Pakistan in 1948 and is quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes and polyethylene pipes.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim unconsolidated financial information of the Company for the nine months ended 31 March 2013 has been prepared in accordance with the requirements of International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In instances where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, have been followed.

This condensed interim unconsolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2012.

The comparative Balance Sheet presented in this condensed interim unconsolidated financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2012, whereas the comparative condensed interim Profit and Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim unconsolidated financial information for the period ended 31 March 2012.

2.2 Basis of measurement

This condensed interim unconsolidated financial information has been prepared under the historical cost convention except that land and buildings are stated at revalued amounts.

2.3 Functional and presentation currency

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended 30 June 2012.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and do not have any impact on the accounting policies of the Company.

4. USE OF ESTIMATES AND JUDGEMENTS

Estimates and judgements made by the management in the preparation of this condensed interim unconsolidated financial information are the same as those that were applied to the audited annual separate financial statements of the Company as at and for the year ended 30 June 2012.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work in progress	Capital stores and spares	Total
	(Rupees in '000)			
Cost				
Opening balance	4,511,523	8,620	24,238	4,544,381
Additions	158,803	163,366	-	322,169
Deletions/ consumed	(16,753)	(158,803)	(11,708)	(187,264)
	<u>4,653,573</u>	<u>13,183</u>	<u>12,530</u>	<u>4,679,286</u>
Accumulated depreciation				
Opening balance	(1,740,876)	-	-	(1,740,876)
Disposal	13,227	-	-	13,227
Charge for the period	(150,774)	-	-	(150,774)
	<u>(1,878,423)</u>	<u>-</u>	<u>-</u>	<u>(1,878,423)</u>
Written down value as at 31 March 2013	<u>2,775,150</u>	<u>13,183</u>	<u>12,530</u>	<u>2,800,863</u>
Written down value as at 30 June 2012 (Audited)	<u>2,770,647</u>	<u>8,620</u>	<u>24,238</u>	<u>2,803,505</u>

6. INVESTMENTS

31 March 2013 (Un-audited)	30 June 2012 (Audited)		31 March 2013 (Un-audited)	30 June 2012 (Audited)
Number of shares			(Rupees in '000)	
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company at cost 6.1	2,450,555	2,450,555
2,425,913	2,425,913	Pakistan Cables Limited (PCL) - associate company at cost 6.2	132,982	132,982
			<u>2,583,537</u>	<u>2,583,537</u>

6.1 The Company holds 56.33% ownership interest in ISL. The Chief Executive of ISL is Mr. Towfiq H. Chinoy.

6.2 The Company holds 8.52% ownership interest in PCL. The Chief Executive of PCL is Mr. Kamal A. Chinoy.

6.3 Market value of the above investments is as follows:

	31 March 2013 (Un-audited)	30 June 2012 (Audited)
	(Rupees in '000)	
Quoted		
International Steels Limited	3,158,766	2,930,864
Pakistan Cables Limited	108,317	92,549

7. STOCK-IN-TRADE

Raw materials- in hand	1,973,230	3,209,326
- in transit	-	1,627,791
Work-in-process	705,394	758,806
Finished goods	1,889,148	1,661,972
By-product	53,792	43,246
Scrap material	6,298	21,776
	<u>4,627,862</u>	<u>7,322,917</u>

8. TRADE DEBTS	31 March 2013 (Un-audited) (Rupees in '000)	30 June 2012 (Audited)
Considered good :		
- secured	672,472	728,162
- unsecured	1,245,874	945,064
Considered doubtful	37,954	34,508
	<u>1,956,300</u>	<u>1,707,734</u>
Provision for doubtful debts	<u>(37,954)</u>	<u>(34,508)</u>
	<u>1,918,346</u>	<u>1,673,226</u>
8.1 Related parties from whom debts are due are as under:		
Sui Southern Gas Company Limited	38,619	109,268
Sui Northern Gas Pipelines Limited	165,557	34,864
Pakistan Cables Limited	-	16
DH Fertilizers Limited	-	63
	<u>204,176</u>	<u>144,211</u>
9. ADVANCES		
Considered good:		
- suppliers	17,163	21,438
- employees	3,539	600
	<u>20,702</u>	<u>22,038</u>
10. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Trade deposits	3,112	3,297
Short term prepayments	9,265	5,258
	<u>12,377</u>	<u>8,555</u>
11. OTHER RECEIVABLES		
Considered good:		
- Interest income receivable	-	66
- Sales tax receivable	-	92,188
- Receivable for transmission of electricity to KESC	14,105	26,841
- Others	8,944	953
	<u>23,049</u>	<u>120,048</u>

12. LONG TERM FINANCING

Long term finances utilised under mark-up arrangements	12.1	416,667	737,500
Current portion of long term finances shown under current liabilities		(166,667)	(320,833)
		<u>250,000</u>	<u>416,667</u>

- 12.1 All long term financing utilised under mark-up arrangements are secured by way of a joint equitable mortgage on all present and future land, buildings, plant and machinery located at Plot Number LX-15 & 16 and HX-7/4, Landhi Industrial Estate, Karachi, and Survey No. 402, 405-406, Dehsharabi, Landhi Town, Karachi.

13. TRADE AND OTHER PAYABLES

	31 March 2013 (Un-audited) (Rupees in '000)	30 June 2012 (Audited)
Trade creditors	138,590	874,627
Accrued expenses	295,854	331,087
Advance from customers	67,432	62,670
Workers' Profit Participation Fund	27,000	6,000
Workers' Welfare Fund	18,676	7,876
Unclaimed dividends	11,484	9,690
Sales tax	21,420	-
Others	8	3
	<u>580,464</u>	<u>1,291,953</u>

14. SHORT TERM BORROWINGS

Running finance under mark-up arrangements from banks - secured	14.1	346,602	297,213
Short term borrowing under Money Market Scheme - secured	14.2	1,945,000	950,000
Short term borrowing under Export Refinance Scheme	14.3	3,161,500	2,370,000
Running finance under FE-25 Import Scheme	14.4	468,703	3,946,807
		<u>5,921,805</u>	<u>7,564,020</u>

- 14.1 The facilities for running finance available from various commercial banks under mark-up arrangements amount to Rs. 2,595 million (30 June 2012: Rs.2,500 million). The rates of mark-up on these facilities range from 10.06% to 10.93% per annum (30 June 2012: 12.66% to 13.79%). The facilities for short term finance mature within twelve months.
- 14.2 The facilities for short term borrowing available from various commercial banks under mark-up arrangements amount to Rs. 2,940 million (30 June 2012: Rs.1,972 million). The rates of mark-up on these facilities range from 9.34% to 9.99% per annum (30 June 2012: 12.00% to 12.64%).

- 14.3** The Company has borrowed short term running finance under the Export Refinance Scheme offered by the State Bank of Pakistan. The facilities availed are for an amount of Rs. 3,162 million (30 June 2012: Rs.2,370 million). The rates of mark-up on these facilities range from 8.70% per annum (30 June 2012: 10.50% to 11.00% per annum).
- 14.4** The Company has borrowed short term running finance under Foreign Exchange Circular No.25 dated 20 June 1998 from certain banks for the purpose of meeting import requirements. The facilities availed are for an amount of USD 5 million equivalent to Rs. 469 million (30 June 2012:USD 42 million equivalent to Rs.3,947 million). The rates of markup on these facilities range from 1.90% per annum (30 June 2012: 2.05% to 2.30% per annum).
- 14.5** All running finance and short term borrowing facilities are secured by way of hypothecation of all present and future moveable current assets and long term investments of the Company.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- 15.1.1** Bank guarantees have been issued under certain supply contracts and to the Collector of Customs aggregating Rs. 202 million (30 June 2012: Rs.293 million).
- 15.1.2** Custom duties amounting to Rs.938 million (30 June 2012: 1,018 million) on import of raw material shall be payable by the Company in case of non-fulfillment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Company has provided post dated cheques in favour of the Collector of Customs which are, in the normal of business, to be returned to the Company after fulfillment of stipulated conditions. The Company has fulfilled the conditions for duties amounting to Rs. 875 million and is making efforts to retrieve the associated post-dated cheques from the customs authorities.

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

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

15.1.4 The Company has reversed the provision for the levy of infrastructure fee amounting to Rs.107 million in 2009 on the basis of a decision of the Sindh High Court which declared the levy of Infrastructure Cess before 28 December 2006 as void and invalid. However, the Excise and Taxation Department (the Department) has filed an appeal before the Supreme Court of Pakistan against such order. In May 2011, the Supreme Court disposed off the appeal with a joint statement of the parties that, during the pendency of the appeal, another law i.e the Fifth Version, came into existence which was not the subject matter of the appeal. Hence the case was referred back to the High Court with the right to appeal to the Supreme Court. On 31 May 2011, the High Court has granted an interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignments released upto 27 December 2006 and any bank guarantee / security furnished for consignments released after 27 December 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with balance kept intact till the disposal of petition. In case the High Court upholds the applicability of the Fifth Version of the law and its retrospective application, the authorities are entitled to claim the amounts due under the said law with the right to appeal available to the petitioner. Bank guarantees amounting to Rs. 215 million have been provided to the Department in this regard.

15.2 Commitments

15.2.1 Capital expenditure commitments outstanding as at 31 March 2013 amounted to Rs.10 million (30 June 2012: Rs.66 million).

15.2.2 Commitments under letters of credit for raw materials and spares as at 31 March 2013 amounted to Rs. 3,445 million (30 June 2012: Rs.2,787 million).

15.2.3 Commitments under purchase contracts as at 31 March 2013 amounted to Rs. 470 million (30 June 2012: Rs.8 million).

15.2.4 Unavailed facilities for opening letters of credit and guarantees from banks as at 31 March 2013 amounted to Rs. 7,175 million (30 June 2012: 5,494 million) and Rs. 358 million (30 June 2012: 367 million) respectively.

16. NET SALES

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)			
Local	10,268,673	8,873,196	3,729,962	2,912,540
Export	4,428,137	4,464,515	1,465,320	1,675,791
	<u>14,696,810</u>	<u>13,337,711</u>	<u>5,195,282</u>	<u>4,588,331</u>
Sales Tax and Special Excise Duty	(1,413,594)	(1,215,176)	(513,607)	(399,763)
Trade discount	(17,039)	(49,094)	(6,432)	(10,463)
Sales discount and commission	(220,346)	(155,495)	(56,262)	(35,218)
	<u>(1,650,979)</u>	<u>(1,419,765)</u>	<u>(576,301)</u>	<u>(445,444)</u>
	<u>13,045,831</u>	<u>11,917,946</u>	<u>4,618,981</u>	<u>4,142,887</u>

17. COST OF SALES

Opening stock of raw materials and work-in-process	3,968,132	3,251,729	4,044,477	3,569,883
Purchases	9,707,569	10,282,339	2,310,067	2,689,960
Salaries, wages and benefits	347,393	321,623	119,013	112,597
Rent, rates and taxes	729	4,239	492	1,926
Electricity, gas and water	194,341	182,444	70,223	70,367
Insurance	10,035	7,078	3,410	2,212
Security and janitorial	11,145	9,727	3,371	3,445
Depreciation and amortisation	141,167	129,175	48,564	46,178
Stores and spares consumed	47,466	44,011	12,881	12,806
Repairs and maintenance	74,562	62,589	23,576	19,295
Postage, telephone and stationery	7,222	5,822	2,831	1,921
Vehicle, travel and conveyance	8,818	7,913	2,161	2,399
Internal material handling	12,365	11,109	4,285	3,952
Environment controlling expenses	117	181	38	30
Sundries	3,428	1,493	839	547
Sale of scrap generated during production	(128,495)	(537,619)	(33,936)	(190,487)
Closing stock of raw materials and work-in-process	<u>(2,678,624)</u>	<u>(3,071,891)</u>	<u>(2,678,624)</u>	<u>(3,071,891)</u>
Cost of goods manufactured	<u>11,727,370</u>	<u>10,711,962</u>	<u>3,933,668</u>	<u>3,275,140</u>
Finished goods and by-product				
- Opening stock	1,705,218	1,495,865	2,045,990	1,943,227
- Closing stock	<u>(1,942,940)</u>	<u>(1,509,348)</u>	<u>(1,942,940)</u>	<u>(1,509,348)</u>
	<u>(237,722)</u>	<u>(13,483)</u>	<u>103,050</u>	<u>433,879</u>
	<u>11,489,648</u>	<u>10,698,479</u>	<u>4,036,718</u>	<u>3,709,019</u>

18. FINANCIAL CHARGES

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)			
Mark-up on:				
- Long term financing	51,262	83,945	13,352	30,318
- Short term borrowings	384,557	441,735	145,295	168,109
Exchange loss	110,958	206,339	8,928	(12,555)
Interest on Workers' Profit Participation Fund	146	132	-	-
Bank charges	12,357	10,057	4,242	3,310
	<u>559,280</u>	<u>742,208</u>	<u>171,817</u>	<u>189,182</u>

19. OTHER OPERATING CHARGES

Auditors' remuneration	1,750	1,195	500	314
Donations	15,350	2,000	100	-
Workers' Profit Participation Fund	27,000	6,000	12,400	3,650
Workers' Welfare Fund	10,800	2,400	5,000	1,450
Loss on disposal of property, plant & equipment	-	5,284	-	-
Others	-	1,067	-	-
	<u>54,900</u>	<u>17,946</u>	<u>18,000</u>	<u>5,414</u>

20. OTHER OPERATING INCOME

Income from financial assets				
Interest on bank deposits	1,565	961	310	249
Income from non-financial assets				
Income from power generation	26,046	28,684	8,391	12,000
Late payment surcharge - KESC	-	268	-	-
Gain on disposal of property, plant & equipment	5,572	-	1,286	4,460
Rental income	5,980	5,443	1,993	1,814
IT services reimbursed by subsidiary	3,375	-	1,125	-
Dividend income from associate	7,884	4,852	-	-
Exchange gain	33,056	6,798	9,799	(29,752)
Others	2,727	4,591	756	2,545
	<u>86,205</u>	<u>51,597</u>	<u>23,660</u>	<u>(8,684)</u>

21. MOVEMENT IN WORKING CAPITAL

	Nine months ended	
	31 March 2013	31 March 2012
	(Rupees in '000)	
Decrease / (increase) in current assets:		
Store and spares	11,301	(13,557)
Stock-in-trade	2,695,055	22,017
Trade debts	(248,566)	179,121
Advances	1,336	610,856
Trade deposit and short term prepayments	(3,822)	1,169
Other receivables	96,933	223,296
	<u>2,552,237</u>	<u>1,022,902</u>
Decrease in current liabilities :		
Trade and other payables	(713,283)	(82,193)
	<u>1,838,954</u>	<u>940,709</u>

22. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended		Quarter Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)			
<i>Subsidiary company</i>				
Sales	2,993	4,406	1,667	3,340
Purchases	1,153,061	1,442,785	576,353	139,702
Sale proceeds from disposal of fixed assets	157	1,640	85	-
Purchase of fixed assets	1,423	-	-	-
Purchase of store items	123	5,950	-	2,060
Supply of chilled water and electrical consultancy	7,507	19,788	5,357	9,000
Toll manufacturing	-	6,118	-	-
Reimbursement of payroll management expenses	633	-	198	-
Reimbursement of corporate affairs management expenses	2,378	-	791	-
Reimbursement of IT services	3,375	-	1,125	-
Office rent	5,980	5,443	1,993	1,815
<i>Associate companies</i>				
Sales	992,992	1,038,619	505,654	346,827
Purchases	156,285	169,657	64,500	61,950
Insurance premium expense	-	17,079	-	-
Donations	2,125	-	-	-
Dividend paid	-	4,737	-	-
Reimbursement of expenses	2,665	-	914	-
Subscriptions paid	681	100	587	-
<i>Key management personnel</i>				
Remuneration	105,583	144,059	34,093	27,057
Disposal of vehicles	-	11,976	-	-
<i>Staff retirement funds</i>				
Contribution paid	24,407	22,485	8,224	7,470
<i>Non-executive directors</i>				
Directors' fee	2,080	3,440	760	1,200

23. SEGMENT REPORTING

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

23.1 SEGMENT REVENUE AND RESULTS

	Steel Segment	Plastic Segment	Total
	(Rupees in '000)		
For the period ended 31 March 2013			
Sales	12,653,053	392,778	13,045,831
Cost of sales	11,129,337	360,311	11,489,648
Gross Profit	1,523,716	32,467	1,556,183
For the period ended 31 March 2012			
Sales	11,122,082	795,864	11,917,946
Cost of sales	9,990,587	707,892	10,698,479
Gross Profit	1,131,495	87,972	1,219,467

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

	Nine months ended	
	31 March 2013	31 March 2012
	(Rupees in '000)	
Total results for reportable segments	1,556,183	1,219,467
Selling, distribution and administrative expenses	(525,093)	(399,040)
Financial charges	(559,280)	(742,208)
Other operating expenses	(54,900)	(17,946)
Other operating income	86,205	51,597
Taxation	(109,000)	(35,500)
Profit after tax	394,115	76,370

23.2 SEGMENT ASSETS & LIABILITIES

	Steel Segment	Plastic Segment	Total
	(Rupees in '000)		
As at 31 March 2013 - Un-audited			
Segment assets	8,680,781	666,290	9,347,071
Segment liabilities	67,432	-	67,432
As at 30 June 2012 - Audited			
Segment assets	10,950,719	848,929	11,799,648
Segment liabilities	62,670	-	62,670

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

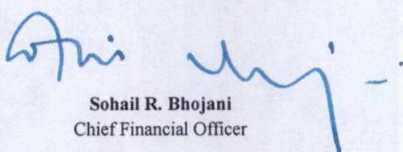
	31 March 2013 (Un-audited) (Rupees in '000)	30 June 2012 (Audited)
Total reportable segments assets	9,347,071	11,799,648
Unallocated assets	3,067,991	3,266,585
Total assets as per Balance Sheet	12,415,062	15,066,233
Total reportable segments liabilities	67,432	62,670
Unallocated liabilities	7,135,517	9,825,888
Total liabilities as per Balance Sheet	7,202,949	9,888,558

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on 26 April 2013.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



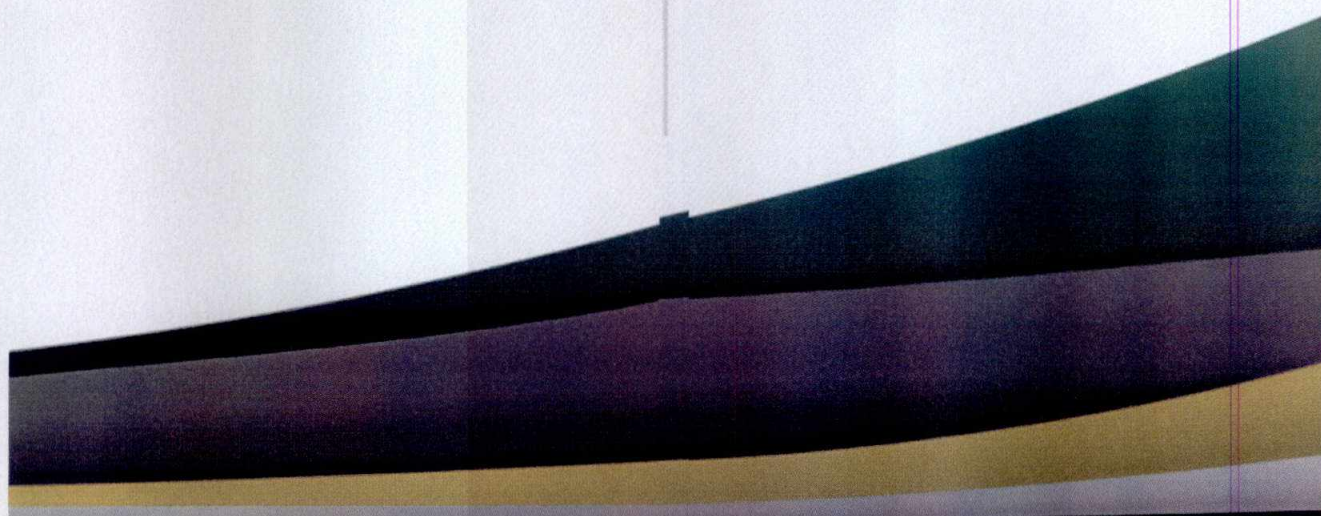
Sohail R. Bhojani
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

**THIRD QUARTER ENDED
31 MARCH 2013**

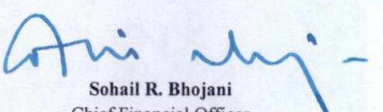


International Industries Limited
Condensed Interim Consolidated Balance Sheet
As at 31st March 2013

	Note	(Un-audited) 31 March 2013	(Audited) 30 June 2012
ASSETS			
Non-current assets			
Property, plant and equipment	4	11,955,282	11,700,574
Intangible assets		14,934	22,033
Investment in equity accounted investee	5	172,879	169,018
Long term deposits		4,528	5,313
		<u>12,147,623</u>	<u>11,896,938</u>
Current assets			
Stores and spares		483,187	510,057
Stock-in-trade	6	7,092,005	12,596,684
Trade debts	7	2,457,203	1,960,724
Advances	8	84,028	40,730
Trade deposits and short term prepayments	9	20,360	19,889
Other receivables	10	63,854	628,001
Taxation - net		708,115	745,133
Bank balances		18,874	24,865
		<u>10,927,626</u>	<u>16,526,083</u>
Total assets		<u>23,075,249</u>	<u>28,423,021</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 200,000,000 (2012: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up capital		1,198,926	1,198,926
General reserves		2,139,958	2,139,958
Unappropriated profit		446,333	343,515
Equity attributable to owners of Holding Company		<u>3,785,217</u>	<u>3,682,399</u>
Non-controlling interest		1,861,327	1,813,573
Total equity		<u>5,646,544</u>	<u>5,495,972</u>
Surplus on revaluation of property, plant and equipment		<u>1,354,434</u>	<u>1,357,823</u>
LIABILITIES			
Non-current liabilities			
Long term financing	11	3,806,829	4,263,550
Deferred taxation - net		300,591	240,704
		<u>4,107,420</u>	<u>4,504,254</u>
Current liabilities			
Trade and other payables	12	988,848	1,760,083
Short term borrowings	13	9,847,237	14,011,842
Current portion of long term financing	11	868,322	959,608
Accrued markup		262,444	333,439
		<u>11,966,851</u>	<u>17,064,972</u>
Total liabilities		<u>16,074,272</u>	<u>21,569,226</u>
Contingencies and commitments	14	-	-
Total equity and liabilities		<u>23,075,249</u>	<u>28,423,021</u>

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


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Sohail R. Bhojani
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer

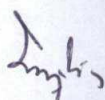
International Industries Limited

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

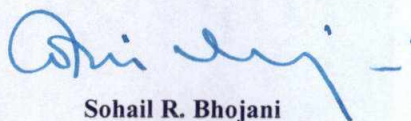
For the Nine Months and Quarter ended 31 March 2013

		Nine months ended		Quarter ended	
	Note	31 March 2013	31 March 2012	31 March 2013	31 March 2012
		(Rupees in '000)			
Net sales	15	24,060,027	20,099,625	9,154,869	7,652,654
Cost of sales	16	(21,424,806)	(18,111,622)	(8,032,000)	(6,806,569)
Gross profit		2,635,221	1,988,003	1,122,869	846,085
Selling and distribution expenses		(475,674)	(344,565)	(169,414)	(118,332)
Administrative expenses		(181,115)	(156,229)	(62,188)	(53,799)
		(656,789)	(500,794)	(231,602)	(172,131)
Financial charges	17	(1,340,190)	(1,621,994)	(396,888)	(489,729)
Other operating charges	18	(87,431)	(76,385)	(36,970)	(24,393)
		(1,427,621)	(1,698,379)	(433,858)	(514,122)
Share of profit in equity accounted investee		11,745	7,274	3,423	1,043
Other operating income	19	113,675	85,844	35,749	4,341
Profit / (loss) before taxation		676,231	(118,052)	496,581	165,216
Taxation		(169,371)	(86,208)	(122,958)	(104,131)
Profit / (loss) after taxation		506,860	(204,260)	373,623	61,085
		(Rupees)		(Rupees)	
Earnings / (loss) per share - basic and diluted		4.23	(1.70)	3.12	0.51

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



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Sohail R. Bhojani
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer

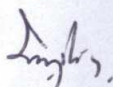
International Industries Limited

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

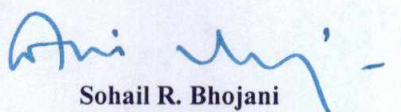
For the Nine Months and Quarter ended 31 March 2013

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)			
Profit / (loss) after taxation	506,860	(204,260)	373,623	61,085
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	506,860	(204,260)	373,623	61,085
Total comprehensive income attributable to:				
Owners of Holding company	459,106	(80,664)	295,782	66,712
Non-controlling interest	47,754	(123,596)	77,841	(5,627)
Total comprehensive income / (loss)	506,860	(204,260)	373,623	61,085

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



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Sohail R. Bhojani
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer

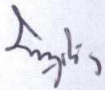
International Industries Limited

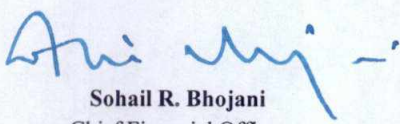
Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months ended 31 March 2013

	31 March 2013	31 March 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	676,231	(118,052)
Adjustments for:		
Depreciation and amortisation	461,628	402,591
Provision for doubtful debts	3,446	9,215
Interest on bank deposits	(1,801)	(4,891)
(Gain) / loss on disposal of property, plant and equipment	(9,166)	4,907
Share of profit from an associated entity	(11,745)	(7,274)
Financial charges	1,340,190	1,621,994
	<u>2,458,783</u>	<u>1,908,490</u>
Movement in:		
Working capital	4,778,973	1,301,324
Long term deposits	785	20,426
Net cash generated from operations	<u>7,238,541</u>	<u>3,230,240</u>
Financial charges paid	(1,411,185)	(1,629,621)
Taxes paid	(72,466)	(290,667)
Net cash generated from operating activities	<u>5,754,891</u>	<u>1,309,952</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(719,818)	(545,392)
Dividend income received	7,884	4,852
Proceeds from disposal of property, plant and equipment	19,747	6,845
Interest income received	1,801	4,891
Net cash used in investing activities	<u>(690,386)</u>	<u>(528,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing - net of proceeds	(548,007)	346,858
Dividends paid	(357,884)	(418,571)
Net cash generated used in financing activities	<u>(905,891)</u>	<u>(71,713)</u>
Net increase in cash and cash equivalents	<u>4,158,614</u>	<u>709,435</u>
Cash and cash equivalents at beginning of the period	(13,986,977)	(11,621,918)
Cash and cash equivalents at end of the period	<u>(9,828,363)</u>	<u>(10,912,483)</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Bank balances	18,874	38,168
Short-term borrowings	(9,847,237)	(10,950,651)
	<u>(9,828,363)</u>	<u>(10,912,483)</u>

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


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Sohail R. Bhojani
Chief Financial Officer

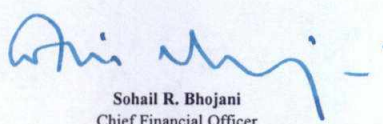

Riyaz T. Chinoy
Chief Executive Officer

International Industries Limited
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the Nine Months ended 31 March 2013

	Attributable to owners of Holding Company				Total equity	Non-controlling interest	Total equity
	Issued, subscribed and paid-up capital	Revenue Reserves		Total			
		General reserves	Un-appropriated profit / (loss)				
Balance as at 1 July 2011	1,198,926	2,468,744	158,580	2,627,324	3,826,250	1,859,191	5,685,44
Total comprehensive income for the nine months ended 31 March 2012:							
Loss after taxation	-	-	(80,664)	(80,664)	(80,664)	(123,596)	(204,260)
Distribution to owners of Holding Company							
Final dividend @ 35% (Rs. 3.50 per share) for the year ended 30 June 2011	-	-	(419,624)	(419,624)	(419,624)	-	(419,624)
Total transactions with owners of Holding Company	-	-	(419,624)	(419,624)	(419,624)	-	(419,624)
Transfer from general reserves	-	(328,786)	328,786	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	3,390	3,390	3,390	-	3,390
Balance as at 31 March 2012	1,198,926	2,139,958	(9,532)	2,130,426	3,329,352	1,735,595	5,064,947
Balance as at 1 July 2012	1,198,926	2,139,958	343,515	2,483,473	3,682,399	1,813,573	5,495,972
Total comprehensive income for the nine months ended 31 March 2013:							
Profit after taxation	-	-	459,106	459,106	459,106	47,754	506,860
Distribution to owners of Holding Company							
Final dividend @ 20% (Rs. 2.00 per share) for the year ended 30 June 2012			(239,785)	(239,785)	(239,785)	-	(239,785)
Interim dividend @ 10% (Rs. 1.00 per share) for the year ended 30 June 2013			(119,893)	(119,893)	(119,893)		(119,893)
Total transactions with owners of Holding Company	-	-	(359,678)	(359,678)	(359,678)	-	(359,678)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	3,390	3,390	3,390	-	3,390
Balance as at 31 March 2013	1,198,926	2,139,958	446,333	2,586,291	3,785,217	1,861,327	5,646,544

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


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Sohail R. Bhojani
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer

International Industries Limited

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

For the Nine Months and Quarter ended 31 March 2013

1. THE GROUP AND ITS OPERATIONS

The Group consists of International Industries Limited ("the Holding Company") and International Steels Limited ("the Subsidiary Company"), together referred to as "the Group" and individually as "Group Entities", and the Group's interest in its associated entity, namely Pakistan Cables Limited.

International Industries Limited was incorporated in Pakistan in 1948 and is quoted on the Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. The Company is in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes & polyethylene pipes.

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

Details of the Group's investment in its associate entity are given in note 5 to these condensed interim consolidated financial information.

2. BASIS OF PREPARATION

- 2.1 This interim consolidated financial information has been prepared from the information available in the un-audited separate financial information of the Holding Company for the nine months ended 31 March 2013 and the un-audited financial information of the Subsidiary Company for the nine months ended 31 March 2013. Detail regarding the financial information of the associate entity used in the preparation of this condensed interim consolidated financial information is given in note 5.
- 2.2 This interim consolidated financial information has been prepared in accordance with approved Accounting Standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In instances where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.
- 2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial statements presented have been rounded off to the nearest thousand Rupee except where stated otherwise.
- 2.4 This interim consolidated financial information is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and Section 245 of the Companies Ordinance, 1984.
- 2.5 Estimates and judgements made by the management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the audited annual separate financial statements of the Group Entities as at and for the period ended 31 March 2013.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

3.1.1 Investment in subsidiaries

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

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

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

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

3.1.2 Investment in associate entities

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work in progress	Capital store and spares	Total
	(Rupees in '000)			
Cost				
Opening balance	13,701,496	373,991	24,238	14,099,725
Additions	377,017	727,366	-	1,104,383
Disposal / transfers	(15,388)	(377,017)	(11,708)	(404,113)
	<u>14,063,125</u>	<u>724,340</u>	<u>12,530</u>	<u>14,799,995</u>
Accumulated depreciation				
Opening balance	(2,399,151)	-	-	(2,399,151)
Disposal	12,962	-	-	12,962
Charge for the period	(458,524)	-	-	(458,524)
	<u>(2,844,713)</u>	<u>-</u>	<u>-</u>	<u>(2,844,713)</u>
Written down value as at 31 March 2013	<u>11,218,412</u>	<u>724,340</u>	<u>12,530</u>	<u>11,955,282</u>
Written down value as at 30 June 2012 (Audited)	<u>11,302,345</u>	<u>373,991</u>	<u>24,238</u>	<u>11,700,574</u>

5. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

31 March 30 June
2013 2012
(Un-audited) (Audited)

(Rupees in '000)

Pakistan Cables Limited - associated company	5.1	<u>172,879</u>	<u>169,018</u>
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- 5.1 This represents the Holding Company's investment in Pakistan Cables Limited (PCL), a company incorporated in Pakistan. The Holding Company has invested in 2,425,913 shares (30 June 2012: 2,425,913 shares) of the Associate Company and holds 8.52% (30 June 2012: 8.52 %) ownership interest in PCL.

The Chief Executive Officer of PCL is Mr. Kamal A. Chinoy. The market value as at 31 March 2013 was Rs. 108 million (30 June 2012: 93 million). The share of profit after acquisition is recognised based on PCL's financial statements as at 31 December 2012. The latest financial statements of the Associate Company as at 31 March 2013 are not presently available.

6. STOCK- IN- TRADE

31 March 30 June
2013 2012
(Un-audited) (Audited)

(Rupees in '000)

Raw materials - in hand	2,753,249	5,705,233
- in transit	<u>95,650</u>	<u>3,284,185</u>
	2,848,899	8,989,418
Work-in-process	1,265,035	1,064,991
Finished goods	2,881,150	2,414,279
By-products	53,792	43,246
Scrap material	<u>43,129</u>	<u>84,750</u>
	<u>7,092,005</u>	<u>12,596,684</u>

7.	TRADE DEBTS		31 March	30 June
			2013	2012
			(Un-audited)	(Audited)
			(Rupees in '000)	
	Considered good:			
	- secured		1,209,403	1,015,660
	- unsecured		1,247,800	945,064
			2,457,203	1,960,724
	Considered doubtful		37,954	34,508
			2,495,157	1,995,232
	Provision for doubtful debts		(37,954)	(34,508)
			2,457,203	1,960,724
8.	ADVANCES			
	Considered good:			
	- suppliers and service providers		79,100	39,870
	- to employees against expenses		4,928	860
			84,028	40,730
9.	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Trade deposits		5,132	6,284
	Short term prepayments		15,228	13,605
			20,360	19,889
10.	OTHER RECEIVABLES			
	Considered good:			
	- Interest income receivable		-	66
	- Sales Tax receivable		-	371,436
	- Receivable for transmission of electricity to KESC		54,589	255,546
	- Others		9,265	953
			63,854	628,001
11.	LONG TERM FINANCING			
	Long term finances utilised under mark-up arrangements	11.1	416,667	737,500
	Syndicated LTTF term finance	11.2	3,442,163	3,768,391
	Term finance	11.3	816,321	717,267
	Current portion of long term financing shown under current liabilities		(868,322)	(959,608)
			3,806,829	4,263,550

- 11.1 All long term finances, except for all term financing mentioned above, utilised under mark-up arrangements, are obtained by the Holding Company and secured by way of a joint equitable mortgage on all present and future land, buildings, plant and machinery located at Plot Number LX-15 & 16 and HX-7/4, Landhi Industrial Estate, Karachi and Survey No. 402,405-406, Dehsharabi, Landhi Town, Karachi.
- 11.2 The Syndicated LTTF term financing facility, having a limit of 4,000 million, is obtained by the Subsidiary for plant and machinery of the Cold Rolling Mill and Galvanizing Plant and is secured by way of mortgage of land located at Survey No. 399-405, Dehsharabi, Landhi Town, Karachi, and joint hypothecation of all present and future fixed assets (excluding land and building of the Subsidiary Company), as per the terms of syndicated term financing agreement. It is repayable in sixteen half-yearly instalments commencing from March 2011.
- 11.3 The term finance facility, having a limit of Rs. 900 million, is obtained by the Subsidiary Company for plant and machinery and is secured by way of mortgage of land located at Survey No. 399-405, Dehsharabi, Landhi Town, Karachi and other fixed assets of the Subsidiary Company against a ranking charge. It is repayable in eight half yearly instalments commencing from December 2012.

12. TRADE AND OTHER PAYABLES

	31 March 2013 (Un-audited)	30 June 2012 (Audited)
	(Rupees in '000)	
Trade creditors	177,197	946,343
Bills payable	-	207,840
Accrued expenses	484,396	480,304
Advances from customers	158,117	101,422
Sales Tax	96,820	-
Workers' Profit Participation Fund	36,126	6,000
Workers' Welfare Fund	22,326	7,876
Unclaimed dividends	11,484	9,690
Others	2,382	608
	988,848	1,760,083

13. SHORT TERM BORROWINGS

Running finance under mark-up arrangements	13.1	3,057,936	4,805,018
Short term borrowing under Money Market Scheme	13.2	1,945,000	950,000
Short term running finance under Export Refinance Scheme	13.3	3,571,500	2,478,755
Running finance under FE-25 Import Scheme	13.4	468,703	5,318,069
Short term finance under Murabaha and Istisna	13.5	804,098	460,000
		9,847,237	14,011,842

- 13.1 The facilities for running finance under mark-up arrangements, available to the Group Entities from various banks, amounted to Rs. 9,855 million . (30 June 2012: Rs.10,875 million) and are for the purpose of meeting working capital requirements The facilities for short term finance mature within twelve months and are renewable.

- 13.2** The Holding Company has obtained facilities for short term borrowing from various commercial banks under mark-up arrangements amounting to Rs. 2,940 million (30 June 2012: Rs. 1,972 million). The rate of mark-up on these facilities range from 9.34% to 9.99% per annum (30 June 2012: 12.00% to 12.64% per annum).
- 13.3** The Group Entities have borrowed short term running finance under Export Refinance Scheme offered by the State Bank of Pakistan. The facilities availed are for an amount of Rs. 3,572 million (30 June 2012: Rs.2,479 million). The rates of mark-up on these facilities range from 8.70% to 8.80 % per annum (30 June 2012: 10.50% to 11.00% per annum).
- 13.4** The Holding Company has also borrowed short term running finance under Foreign Exchange Circular No.25 dated 20 June 1998 from certain banks for the purpose of meeting import requirements. The facilities availed are for an amount of USD 5 million equivalent to Rs.469 million (30 June 2012: USD 56 million equivalent to Rs. 5,318 million). The rates of markup on these facilities range from 1.90% per annum (30 June 2012: 2.05% to 2.65% per annum). The facilities mature within six months and are renewable.
- 13.5** The Subsidiary Company has obtained facilities for short term finance under Murahaba and Istisna from Islamic banks. The rate of profit is KIBOR + 0.35% to KIBOR + 0.80% (30 June 2012: KIBOR + 1%). The facilities mature within six months and are renewable.
- 13.6** All running finances and short term borrowing facilities availed by the Holding Company are secured by way of hypothecation of all its present and future moveable current assets and long term investments. All similar facilities availed by the Subsidiary Company are secured by way of joint and first pari passu charges over its assets.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1** Bank guarantees have been issued by the Holding Company under certain supply contracts and to the Collector of Customs aggregating Rs. 202 million (30 June 2012: Rs.293 million).
- 14.1.2** Bank guarantees have been issued by the Subsidiary Company to Sui Southern Gas Company Limited and Excise & Taxation Officer aggregating Rs. 305 million (30 June 2012: Rs. 212 million).
- 14.1.3** Custom duties amounting to Rs.938 million (30 June 2012: Rs. 1,018 million) on import of raw material shall be payable by the Holding Company in case of non-fulfillment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Holding Company has provided post-dated cheques in favour of Collector of Customs which are, in the normal course of business, to be returned to the Holding Company after fulfilment of the stipulated conditions. The Holding Company has fulfilled the conditions for duties amounting to Rs. 875 million and is making continuous efforts to retrieve the associated post-dated cheques from the customs authorities.

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

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

14.1.5 The Holding Company has reversed the provision for the levy of infrastructure fee amounting to Rs.107 million in 2009 on the basis of the decision of the Sindh High Court which declared the levy of Infrastructure Cess before 28 December 2006 as void and invalid. However, the Excise and Taxation Department (the Department) has filed an appeal before the Supreme Court of Pakistan against such order. During May 2011, the Supreme Court of Pakistan disposed off the appeal with a joint statement of the parties that during the pendency of the appeal, another law i.e Fifth Version came into existence which was not the subject matter of the appeal. Hence the case was referred back to High Court with the right to appeal to the Supreme Court. On 31 May 2011, the High Court granted interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignments released upto 27 December 2006 and any bank guarantee / security furnished for consignments released after 27 December 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with the balance kept intact till the disposal of the petition. In case the High Court upholds the applicability of Fifth Version of the law and its retrospective application, the authorities are entitled to claim the amounts due under the said law with the right to appeal available to the petitioner. Bank guarantees amounting to Rs. 215 million have been provided to the Department in this regard.

14.2 Commitments

14.2.1 Capital expenditure commitments of the Group Entities outstanding as at 31 March 2013 amounted to Rs.152 million (30 June 2012: Rs.374 million).

14.2.2 Commitments under letters of credit established by the Group Entities for raw material and spares as at 31 March 2013 to Rs. 6,930 million (30 June 2012: Rs.5,509 million).

14.2.3 Commitments under purchase contracts entered into by the Holding Company as at 31 March 2013 amounted to Rs. 470 million (30 June 2012: Rs.8 million).

14.2.4 The unavailed facilities of the Group Entities for opening letters of credit and guarantees from banks as at 31 March 2013 amounted to Rs. 11,205 million (30 June 2012: 9,339 million) and Rs. 603 million (30 June 2012: 705 million) respectively.

15. NET SALES

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)			
Local	22,054,099	17,971,563	8,340,293	6,722,838
Export	5,568,791	5,323,414	2,147,882	2,019,987
	<u>27,622,890</u>	<u>23,294,977</u>	<u>10,488,175</u>	<u>8,742,825</u>
Sales Tax and Special Excise Duty	(3,198,386)	(2,945,325)	(1,229,702)	(1,059,763)
Trade discount	(17,722)	(49,094)	(6,432)	(10,463)
Sales discount and commission	(346,755)	(200,933)	(97,172)	(19,945)
	<u>(3,562,863)</u>	<u>(3,195,352)</u>	<u>(1,333,306)</u>	<u>(1,090,171)</u>
	<u>24,060,027</u>	<u>20,099,625</u>	<u>9,154,869</u>	<u>7,652,654</u>

16. COST OF SALES

Opening stock of raw material and work-in-process	6,770,224	6,353,470	7,049,813	6,343,151
Purchases	17,660,456	17,246,551	3,820,019	5,095,313
Salaries, wages and benefits	498,687	477,542	169,387	167,909
Rates and taxes	729	7,015	492	2,852
Electricity, gas and water	417,903	373,819	142,504	136,037
Insurance	26,090	22,983	8,738	7,671
Security and janitorial	19,785	15,600	6,446	5,581
Depreciation and amortisation	408,290	362,309	139,222	133,040
Stores and spares consumed	127,598	78,124	54,472	28,079
Repairs and maintenance	109,827	82,368	40,307	21,428
Postage, telephone and stationery	10,878	10,168	4,012	3,106
Vehicle, travel and conveyance	17,719	16,726	5,746	5,744
Internal material handling	15,217	13,430	4,681	5,532
Environment controlling	1,117	1,193	465	278
Sundries	7,312	10,095	1,218	2,559
Recovery from sale of scrap generated during production	(171,325)	(1,045,889)	(72,760)	(386,330)
	<u>25,920,507</u>	<u>24,025,504</u>	<u>11,374,762</u>	<u>11,571,950</u>
Closing stock of raw material and work-in-process	(4,018,284)	(5,369,875)	(4,018,284)	(5,369,875)
Cost of goods manufactured	<u>21,902,223</u>	<u>18,655,629</u>	<u>7,356,478</u>	<u>6,202,075</u>
Finished goods and by-product :				
Opening stock	2,457,525	2,128,745	3,610,464	3,277,246
Closing stock	(2,934,942)	(2,672,752)	(2,934,942)	(2,672,752)
	<u>(477,417)</u>	<u>(544,007)</u>	<u>675,522</u>	<u>604,494</u>
	<u>21,424,806</u>	<u>18,111,622</u>	<u>8,032,000</u>	<u>6,806,569</u>

17. FINANCIAL CHARGES

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	----- (Rupees in '000) -----			
Mark-up on :				
- Long term financing	370,105	420,782	112,284	140,303
- Short-term borrowings	806,312	863,707	270,643	345,278
	1,176,417	1,284,489	382,927	485,581
Exchange loss	147,823	324,421	8,928	223
Interest on Workers' Profit Participation Fund	146	132	-	-
Bank charges	15,804	12,952	5,033	3,925
	1,340,190	1,621,994	396,888	489,729

18. OTHER OPERATING CHARGES

Auditors' remuneration	2,977	3,080	877	1,479
Donations	15,350	2,060	100	-
Exchange loss	18,213	55,990	5,817	17,760
Loss on disposal of property, plant & equipment	-	5,284	-	-
Workers' Profit Participation Fund	36,126	6,000	21,526	3,650
Workers' Welfare Fund	14,450	2,400	8,650	1,450
Others	315	1,571	-	54
	87,431	76,385	36,970	24,393

19. OTHER OPERATING INCOME

Income from financial assets				
Interest on bank deposits	1,801	4,891	329	362
Income from non-financial assets				
Income from power generation - 18MW	36,237	40,305	12,779	14,977
Income from power generation - 4MW	26,046	28,684	8,391	12,000
Gain on disposal of sale of property, plant & equipment	9,166	377	2,254	5,070
Rent	1,306	1,185	435	394
Toll manufacturing	137	-	137	-
Exchange gain	33,056	6,798	9,799	(29,752)
Late payment surcharge -KESC	-	268	-	-
Others	5,926	3,336	1,625	1,290
	113,675	85,844	35,749	4,341

20. TRANSACTIONS WITH RELATED PARTIES

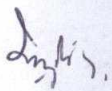
Related parties comprise associate entities, directors of the Holding Company and its Subsidiary, key management employees and staff retirement funds. The Group Entities continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Contributions to the defined contribution plan (Provident Fund) are made as per the terms of employment and contributions to the defined benefit plan (Gratuity Scheme) are in accordance with actuarial advice.

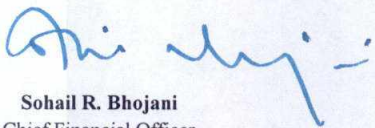
Remuneration of key management personnel is in accordance with their terms of engagement and company policy. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:


	Nine months ended		Quarter Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)			
Transactions with related parties				
<i>Associated companies</i>				
Sales	992,992	1,038,619	505,654	346,827
Purchases	6,556,205	6,530,605	3,455,991	1,804,307
Insurance premium expense	38,474	55,347	6,694	5,329
Insurance claims received	1,223	430	136	-
Rent income	1,306	1,185	436	394
Donations paid	2,125	-	-	-
Dividends paid	-	4,737	-	-
Subscriptions paid	681	100	587	-
Reimbursement of expenses	2,665	-	914	-
<i>Key management personnel and their spouses</i>				
Remuneration	199,818	219,706	65,877	55,083
Disposal of vehicles	-	11,976	-	-
Purchase of vehicles	-	9,000	-	-
Staff retirement benefits	1,480	-	465	-
<i>Staff retirement benefit plans</i>				
Contribution paid	34,350	30,617	11,499	10,251
<i>Non- executive directors' Fees</i>	3,440	3,440	1,200	1,200
Balaances with related parties			31 March 2013	30 June 2012
			(Rupees in '000)	
<i>Trade debts</i>				
Receivable from Sui Southern Gas Company Limited			38,619	109,268
Receivable from Sui Northern Gas Pipelines Limited			165,557	34,864
Receivable from Pakistan Cables Limited			-	16
Receivable from DH Fertilizers Limited			-	63

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim Consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company on 26 April 2013.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Sohail R. Bhojani
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer