



**INTERNATIONAL
INDUSTRIES LTD.**

Promising Reliability, For Now and Tomorrow

**Unaudited Financial Statements
for the period ended March 31, 2017**



Promising Reliability, For Now and Tomorrow

HEAD OFFICE

101 Beaumont Plaza,
10 Beaumont Road,
Karachi-75530.
UAN: (92 21) 111 019 019

LAHORE OFFICE

Chinoy House, 6-Bank
Square, The Mall Road,
Lahore-54000.
UAN: (92 42) 111 019 019

ISLAMABAD OFFICE

Office No. 2, 1st Floor,
Ahmed Centre, I-8,
Markaz, Islamabad.
Tel: (92 51) 486 4601-2

PESHAWAR OFFICE

Office No. 1 & 2, 1st Floor,
Hurmaz Plaza, Main
University Road, Peshawar.
Tel: (92 91) 584 5068

MULTAN OFFICE

1592, 2nd Floor,
Quaid-e-Azam Shopping,
Centre No. 1, Multan Cantt.
Tel: (92 61) 458 3332

FAISALABAD OFFICE

Office No. 1/1, Wahab
Centre, Electricity Plaza,
Susan Road, Faisalabad.
Tel: (92 41) 872 0037

FACTORY 1

LX 15- 16 , Landhi Industrial Area,
Karachi-75120
Tel: (92 21) 3508 0451-55

FACTORY 2

Survey # 405-408, Rehri Road,
Landhi, Karachi-75160
Tel: (92 21) 3501 7027-28

FACTORY 3

22 KM, Sheekhupura Road,
Lahore.
Tel: (92 42) 3719 0492-3

SALES INQUIRIES

Domestic Clients: sales@iil.com.pk
International Clients: inquiries@iil.com.pk

www.iil.com.pk

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

CONTENTS

02	Company Information
03	Directors' Report
04	Condensed Interim Unconsolidated Balance Sheet
05	Condensed Interim Unconsolidated Profit and Loss (Unaudited)
06	Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)
07	Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)
08	Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
09	Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)
26	Condensed Interim Consolidated Balance Sheet
27	Condensed Interim Consolidated Profit and Loss (Unaudited)
28	Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
29	Condensed Interim Consolidated Cash Flow Statement (Unaudited)
30	Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
31	Notes to the Condensed Interim Consolidated Financial Information (Unaudited)



Company Information

Chairman

Mr. Mustapha A. Chinoy
Non-Executive Chairman

Chief Executive Officer

Mr. Riyaz T. Chinoy
Executive Director

Mr. Kamal A. Chinoy
Non-Executive Director

Mr. Fuad Azim Hashimi
Non-Executive Director

Mr. Azam Faruque
Non-Executive Director

Mr. Tariq Ikram

Independent Director

Ms. Nargis Ghaloo

Non-Executive Director

Mr. Ehssan A. Malik

Independent Director

Mr. Jehangir Shah

Independent Director

Advisor

Mr. Towfiq H. Chinoy

Chief Financial Officer

Mr. Nadir Akbarali Jamal

Company Secretary

Mr. Yasir Ali Quraishi

Chief Internal Auditor

Ms. Asema Tapal

External Auditors

M/s KPMG Taseer Hadi & Co.

Internal Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Bankers

Allied Bank Ltd.

Askari Bank Ltd.

Bank Al Habib Ltd.

Bank Alfalah Ltd.

Faysal Bank Ltd.

Habib Bank Ltd.

MCB Bank Ltd.

Meezan Bank Ltd.

NIB Bank Ltd.

Samba Bank Ltd.

Soneri Bank Ltd.

Standard Chartered Bank (Pakistan) Ltd.

United Bank Ltd.

Legal Advisor(s)

Mrs. Sana Shaikh Fikree

Mr. Ameen Bandukda

Registered Office

101, Beaumont Plaza, 10, Beaumont Road, Karachi – 75530
Telephone Nos: +9221-35680045-54, UAN: 021-111-019-019

Fax: +9221-35680373, E-mail: yasir.quraishi@iil.com.pk

Lahore Office

Chinoy House, 6 Bank Square, Lahore - 54000

Telephone Nos: +9242-37229752-55, UAN: +9242-111-019-019

Fax: 9242 37220384 E-Mail: lahore@iil.com.pk

Islamabad Office

Office #.2, First Floor, Ahmed Centre,

I-8 Markaz, Islamabad.

Telephone Nos: +9251-4864601-2

Multan Office

1592, 2nd Floor, Quaid-e-Azam Shopping Centre No.1,
Multan Cantt.

Telephone : +9261-4583332

Faisalabad Office

Office No.1/1, Wahab Centre, Electrocitiy Plaza,

Susan Road, Faisalabad.

Telephone : +9241-8720037

Peshawar Office

Office No.1 & 2, First Floor, Hurmaz Plaza, Opp. Airport,
Main University Road, Peshawar.

Telephone Nos: +9291-5845068

Factories

Factory 1

LX 15-16, Landhi Industrial Area, Karachi – 75120

Telephone Nos: +9221-35080451-55, Fax: +9221-35082403

E-mail: factory@iil.com.pk

Factory 2

Survey # 405 & 406, Rehri Road, Landhi, Karachi – 75160

Telephone Nos: +9221-35017026-28, 35017030

Fax: +9221-35013108

Factory 3

22 KM, Sheikhpura Road, Lahore

Telephone Nos: +9242-37190491-3

Website

www.iil.com.pk

Investor Relations Contact

Shares Registrar

Central Depository Company of Pakistan Ltd.

CDC House, 99-B, Block "B", S.M.C.H.S.,

Shahrah-e-Faisal, Karachi.

Telephone Nos: +9221-111-111-500

FAX: +9221-34326053

E-mail : info@cdcpak.com

Assistant Company Secretary

Mr. Mohammad Irfan Bhatti

101 Beaumont Plaza, 10 Beaumont Road,

Karachi. Tel: +9221-111-019-019, Fax: +9221-35680373

E-mail : irfan.bhatti@iil.com.pk

Directors' Report

The Directors of your Company are pleased to present the condensed interim financial information for the nine month period ended March 31, 2017.

In terms of value, the Company's gross sales turnover of Rs. 14 bn was 7% higher than the same period last year, however, in terms of volume, the turnover was 2% higher than the same period last year.

International steel prices have been volatile during the current period. Despite this fluctuation, your Company achieved a gross margin of 19% as compared to 14% for the same period last year.

Profit after Tax is Rs.1,150mn as compared to Rs.466mn last year. Current Year's profit includes an amount of Rs.268mn of Dividend from ISL net of tax bringing the operational profit after tax to Rs.882mn. For the year to date your Company was able to post 89% higher operational profit after tax as compared to same period of last year. This profit translates into earnings per share of Rs.9.59 per share as compared to Rs.3.89 per share for the same period last year.

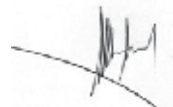
ISL registered sales volume of 377K metric tons (same period last year 273K metric tons - with corresponding gross sales turnover of Rs. 29bn compared to Rs. 17.4bn same period last year. This shows a 38% increase in volumes and 66% increase in sales value. ISL's Profit after Tax for the nine month was Rs. 2,017mn compared to Rs.347mn same period last year.

The Group P&L shows a Profit after Taxation of Rs.2,840mn during the first nine months of the fiscal year as compared to Rs.795mn for the same period last year. This is a significant improvement of 257%.

Outlook for the full year remains positive however; recent volatility in steel prices may affect performance of Quarter 4. Every effort is being made to mitigate the effect of volatile prices.

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

For & on behalf of
International Industries Limited



Mustapha A. Chinoy
Chairman

Dated: 21 April, 2017
Karachi



Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As at 31 March 2017

ASSETS

Non-current assets

Property, plant and equipment	5	5,010,238	4,852,292
Intangible assets		12,716	13,141
Investments	6	2,742,705	2,742,705
Long-term deposits		52,475	46,166
		<u>7,818,134</u>	<u>7,654,304</u>

Current assets

Stores and spares		112,382	132,502
Stock-in-trade	7	6,840,601	4,058,092
Trade debts	8	2,282,251	1,624,603
Advances	9	142,768	157,738
Trade deposits and short-term prepayments	10	15,917	8,906
Other receivables	11	8,741	37,051
Sales Tax receivable		73,004	-
Taxation		-	287,663
Bank balances		169	15,822
		<u>9,475,833</u>	<u>6,322,377</u>

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital 200,000,000 (2016: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
---	--	------------------	------------------

Issued, subscribed and paid-up capital		1,198,926	1,198,926
Reserves	12	4,504,191	4,003,569
Total equity		<u>5,703,117</u>	<u>5,202,495</u>

Surplus on revaluation of property, plant and equipment

LIABILITIES

Non-current liabilities

Long-term financing - secured	13	989,865	1,038,054
Staff retirement benefits		44,835	44,835
Deferred taxation - net		253,790	249,261
		<u>1,288,490</u>	<u>1,332,150</u>

Current liabilities

Trade and other payables	14	1,866,393	1,858,904
Short-term borrowings - secured	15	6,210,393	3,243,249
Current portion of long-term financing	13	125,924	158,205
Sales tax payable		-	37,213
Taxation		11,693	-
Accrued mark-up		53,779	40,456
		<u>8,268,182</u>	<u>5,338,027</u>
Total liabilities		<u>9,556,672</u>	<u>6,670,177</u>

Contingencies and commitments

Total equity and liabilities	16	<u>17,293,967</u>	<u>13,976,681</u>
-------------------------------------	----	-------------------	-------------------

The annexed notes 1 to 29 form an integral part of this condensed interim unconsolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Nadir Akbarali Jamal
Chief Financial Officer

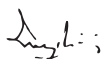

Riyaz T. Chinoy
Chief Executive Officer

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

For the nine months and quarter ended 31 March 2017

	Note	Nine months period ended		Quarter ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
(Rupees in '000)					
Net sales	17	11,804,102	11,042,347	4,299,786	3,911,229
Cost of sales	18	(9,553,869)	(9,529,014)	(3,470,729)	(3,271,944)
Gross profit		2,250,233	1,513,333	829,057	639,285
Selling and distribution expenses	19	(625,057)	(524,035)	(227,135)	(176,177)
Administrative expenses	20	(232,136)	(167,170)	(104,280)	(51,687)
		(857,193)	(691,205)	(331,415)	(227,864)
Financial charges	21	(135,861)	(270,142)	(42,599)	(83,066)
Other operating charges	22	(154,359)	(65,650)	(51,384)	(37,417)
		(290,220)	(335,792)	(93,983)	(120,483)
Other income	23	456,327	145,034	80,002	45,414
Profit before taxation		1,559,147	631,370	483,661	336,352
Taxation	24	(409,000)	(165,000)	(139,700)	(68,000)
Profit after taxation for the period		1,150,147	466,370	343,961	268,352
(Rupees)					
Earnings per share - basic and diluted		9.59	3.89	2.87	2.24

The annexed notes 1 to 29 form an integral part of this condensed interim unconsolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Nadir Akbarali Jamal
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer



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

For the nine months and quarter ended 31 March 2017

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	----- (Rupees in '000) -----			
Profit after taxation for the period	1,150,147	466,370	343,961	268,352
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,150,147</u>	<u>466,370</u>	<u>343,961</u>	<u>268,352</u>

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial Officer

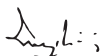
Riyaz T. Chinoy
Chief Executive Officer

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the nine months period ended 31 March 2017

	Note	31 March 2017	31 March 2016
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,559,147	631,370
Adjustments for :			
Depreciation and amortisation		284,295	193,362
Provision for doubtful debts		44,431	42,393
Interest on bank deposits	23	(836)	(695)
Gain on disposal of property, plant and equipment	23	(3,655)	(32,204)
Dividend income	23	(320,875)	(7,278)
Amortisation of long-term prepayments		-	833
Provision for staff gratuity		21,666	27,900
Financial charges	21	135,861	270,142
		<u>1,720,034</u>	<u>1,125,823</u>
Movement in:			
Working capital	25	(3,534,472)	275,230
Long-term deposits		<u>(6,309)</u>	<u>(26,399)</u>
Net cash (used in) / generated from operations		(1,820,747)	1,374,654
Financial charges paid		(122,538)	(282,608)
Payment of staff gratuity		(22,000)	(24,755)
Taxes paid		(105,115)	(60,720)
Net cash (used in) / generated from operating activities		<u>(2,070,400)</u>	<u>1,006,571</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(458,511)	(716,279)
Proceeds from disposal of property, plant and equipment		20,350	35,342
Dividend income received		320,875	7,278
Interest income received		836	695
Net cash used in investing activities		<u>(116,450)</u>	<u>(672,964)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	453,267
Repayment of long-term financing		(80,470)	(75,000)
Dividends paid		(715,477)	(410,147)
Net cash used in financing activities		<u>(795,947)</u>	<u>(31,880)</u>
Net (decrease) / increase in cash and cash equivalents		(2,982,797)	301,727
Cash and cash equivalents at beginning of the period		(3,227,427)	(4,639,734)
Cash and cash equivalents at end of the period		<u>(6,210,224)</u>	<u>(4,338,007)</u>
Cash and cash equivalents comprise:			
Bank balances		169	9,502
Short term borrowings	15	(6,210,393)	(4,347,509)
		<u>(6,210,224)</u>	<u>(4,338,007)</u>

The annexed notes 1 to 29 form an integral part of this condensed interim unconsolidated financial information.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Nadir Akbarali Jamal
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer



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

For the nine months period ended 31 March 2017

	Issued, subscribed and paid-up capital	Revenue Reserves General reserves	Un- appropriated profit	Total reserves	Total
	(Rupees in '000)				
Balance as at 1 July 2015	1,198,926	2,700,036	883,206	3,583,242	4,782,168
Changes in equity for the period ended 31 March 2016:					
Total comprehensive income for the period ended 31 March 2016					
Profit for the period	-	-	466,370	466,370	466,370
Other Comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	466,370	466,370	466,370
Transactions with owners recorded directly in equity - distributions:					
Dividend					
-Final dividend @ 25% (Rs. 2.50 per share) for the year ended 30 June 2015	-	-	(299,732)	(299,732)	(299,732)
-Interim dividend @ 10 % (Rs. 1.00 per share) for the year ended 30 June 2016	-	-	(119,893)	(119,893)	(119,893)
Total transactions with owners - distributions	-	-	(419,625)	(419,625)	(419,625)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	25,060	25,060	25,060
Balance as at 31 March 2016	<u>1,198,926</u>	<u>2,700,036</u>	<u>955,011</u>	<u>3,655,047</u>	<u>4,853,973</u>
Balance as at 1 July 2016	1,198,926	2,700,036	1,303,533	4,003,569	5,202,495
Changes in equity for the period ended 31 March 2017:					
Total comprehensive income for the period ended 31 March 2017					
Profit for the period	-	-	1,150,147	1,150,147	1,150,147
Other Comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	1,150,147	1,150,147	1,150,147
Transactions with owners recorded directly in equity - distributions:					
Dividend					
-Final dividend @ 35% (Rs. 3.50 per share) for the year ended 30 June 2016	-	-	(419,624)	(419,624)	(419,624)
-Interim dividend @ 25% (Rs. 2.50 per share) for the year ending 30 June 2017	-	-	(299,732)	(299,732)	(299,732)
Total transactions with owners - distributions	-	-	(719,356)	(719,356)	(719,356)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	61,510	61,510	61,510
Transfer from surplus on revaluation on disposal of fixed assets - net of deferred tax	-	-	8,321	8,321	8,321
Balance as at 31 March 2017	<u>1,198,926</u>	<u>2,700,036</u>	<u>1,804,155</u>	<u>4,504,191</u>	<u>5,703,117</u>

The annexed notes 1 to 29 form an integral part of this condensed interim unconsolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer

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

For the nine months period ended 31 March 2017

1. STATUS AND NATURE OF BUSINESS

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim unconsolidated financial information for the nine months period ended 31 March 2017 has been prepared in accordance with the requirements of International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, have been followed.

This condensed interim unconsolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2016.

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 2016, 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 2016.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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



3. ACCOUNTING POLICIES

3.1. The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended 30 June 2016.

3.2. Certain amendment and interpretation to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

4.2. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statement as at and for the year ended 30 June 2016.

4.3. The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2016.

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets Capital work in progress Total

-----**(Rupees in '000)**-----

Cost / revalued amount

Opening balance	6,888,967	65,029	6,953,996
Additions	437,462	455,666	893,128
Deletions / transfers	(61,597)	(437,462)	(499,059)
	<u>7,264,832</u>	<u>83,233</u>	<u>7,348,065</u>

Accumulated depreciation

Opening balance	(2,101,704)	-	(2,101,704)
Disposal / adjustments	44,902	-	44,902
Charge for the period	(281,025)	-	(281,025)
	<u>(2,337,827)</u>	<u>-</u>	<u>(2,337,827)</u>

Written down value as at

31 March 2017 (Un-audited)

<u>4,927,005</u>	<u>83,233</u>	<u>5,010,238</u>
------------------	---------------	------------------

Written down value

as at 30 June 2016 (Audited)

<u>4,787,263</u>	<u>65,029</u>	<u>4,852,292</u>
------------------	---------------	------------------

5.1 The cost of additions in operating assets during the period are as under:

	Note	31 March 2017 (Un-audited)	31 March 2016 (Un-audited)
		----- (Rupees in '000) -----	
Land-Leasehold		-	19,757
Building-Freehold		32,210	21,973
-Leasehold		16,574	50,340
Plant and Machinery		361,227	709,570
Furniture, fixture and office equipments		3,236	3,119
Vehicles		24,215	14,719
		437,462	819,478

6. INVESTMENTS

(Un-audited) 31 March 2017	(Audited) 30 June 2016		Note	(Un-audited) 31 March 2017 (Rupees in '000)	(Audited) 30 June 2016
Number of shares Quoted companies					
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
Un-quoted company					
100,000	100,000	IIL Australia Pty Limited (IIL Australia) - subsidiary company at cost	6.3	9,168	9,168
15,000,000	15,000,000	IIL Stainless Steel (Pvt.) Limited (IIL SS)6.4 - subsidiary company at cost	6.4	150,000	150,000
				2,742,705	2,742,705

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

6.1.1 The Company has filed the petition in the Honourable Sindh High Court against the deletion of the clause 103A of the second schedule of the Income Tax Ordinance, 2001 and obtained stay order on the deduction of withholding tax on the inter corporate dividend. As per the requirement of the stay order, the Company has pledge 465,136 shares of International Steels Limited in the Honourable Sindh High Court as a security against the tax on dividend declared by the International Steels Limited on 21 October 2016.

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

6.3 The Company holds 100% ownership interest in IIL Australia. The Chief Executive Officer of IIL Australia is Mr.Sohail Raza Bhojani. The Company is incorporated in Victoria, Australia.



6.4 The Company holds 100% ownership interest in IIL SS. The Chief Executive of IIL SS is Mr. Khawar Bari. The Company is incorporated in Pakistan.

6.5 Market value of the aforementioned quoted investments is as follows:

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
Quoted	----- (Rupees in '000) -----	
International Steels Limited	31,597,462	8,728,878
Pakistan Cables Limited	716,348	413,667

6.6 The book value of IIL Australia based on un-audited financial statements as at 31 March 2017 is AUD 67,556 (Rs.5 million). [30 June 2016: AUD 103,572 (Rs. 8 million)].

6.7 The book value of IIL SS based on un-audited financial statements as at 31 March 2017 is Rs.135 million (30 June 2016: 121 million).

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
7. STOCK-IN-TRADE	----- (Rupees in '000) -----	
Raw materials - in hand	4,174,880	1,612,610
- in transit	487,481	569,459
	<u>4,662,361</u>	<u>2,182,069</u>
Work-in-process	617,885	577,901
Finished goods	1,469,483	1,244,339
By-product	14,514	28,108
Scrap material	76,358	25,675
	<u>6,840,601</u>	<u>4,058,092</u>

7.1 Raw materials amounting to Rs. 1.5 million (30 June 2016: Rs. 2.7 million) as at 31 March 2017 was held at vendor premises for the production of pipe caps.

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
8. TRADE DEBTS	----- (Rupees in '000) -----	
Considered good - secured	445,718	472,576
- unsecured	1,836,533	1,152,027
Considered doubtful	150,000	105,569
	<u>2,432,251</u>	<u>1,730,172</u>
Provision for doubtful debts	(150,000)	(105,569)
	<u>2,282,251</u>	<u>1,624,603</u>

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
	----- (Rupees in '000) -----	
8.1	Related parties from whom debts are due are as under:	
IIL Australia Pty Limited	592,262	241,482
Pakistan Cables Limited	213	272
IIL Stainless Steel (Private) Limited	-	45,717
	<u>592,475</u>	<u>287,471</u>
9. ADVANCES		
Considered good:		
- Suppliers	137,496	156,453
- Employees for business related expenses	5,272	1,285
	<u>142,768</u>	<u>157,738</u>
10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	7,923	5,540
Short-term prepayments	7,994	3,366
	<u>15,917</u>	<u>8,906</u>
11. OTHER RECEIVABLES		
Considered good:		
- Receivable for transmission of electricity to K-Electric	8,741	8,498
- Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods	25,940	25,940
- Receivable from IIL Stainless Steel (Private) Limited - a related concern	-	2,613
	<u>34,681</u>	<u>37,051</u>
- Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods	(25,940)	-
	<u>8,741</u>	<u>37,051</u>
12. RESERVES		
General reserves	2,700,036	2,700,036
Un-appropriated profit	1,804,155	1,303,533
	<u>4,504,191</u>	<u>4,003,569</u>



	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
----- (Rupees in '000) -----			
13. LONG-TERM FINANCING - secured			
- Conventional	13.1	540,789	546,259
- Islamic	13.2	575,000	650,000
		1,115,789	1,196,259
Current portion of long-term finances shown under current liabilities - Conventional	13.1	(50,924)	(8,205)
- Islamic	13.2	(75,000)	(150,000)
		989,865	1,038,054

13.1 The Company has an approved financing facility under long term finance facility of an amount aggregating Rs.550 million. As at 31 March 2017 the Company has outstanding of Rs.540.8 million (30 June 2016: Rs.546.3 million) from a commercial bank. The facility is secured by way of a mortgage on all present and future land and buildings, located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate Karachi and Survey No.402,405-406, Dehsharabi, Landhi Town, Karachi.

13.2 The above long term financing utilized under diminishing musharakah arrangement is secured by way of a mortgage on all present and future land and buildings, located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate Karachi and Survey No.402,405-406, Dehsharabi, Landhi Town, Karachi.

	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
----- (Rupees in '000) -----			
14. TRADE AND OTHER PAYABLES			
Trade creditors	14.1	168,984	117,586
Bills payable		-	480,618
Accrued expenses		971,693	789,314
Provision for Infrastructure Cess	14.2	310,516	267,980
Short-term compensated absences		8,263	9,000
Advance from customers		88,211	72,098
Workers' Profit Participation Fund		66,600	9,300
Workers' Welfare Fund		64,950	38,250
Unclaimed dividends		20,912	17,033
Others		166,264	57,725
		1,866,393	1,858,904

14.1 Related parties to whom payments are due are as under:

IIL Stainless Steel (Private) Limited	661	-
	661	-

	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
		----- (Rupees in '000) -----	
14.2 Provision for Infrastructure Cess			
(Refer note 16.15)			
Opening balance		267,980	220,702
Charge for the period		42,536	47,278
Closing balance		310,516	267,980
15. SHORT-TERM BORROWINGS - secured			
Conventional			
Running finance under mark-up arrangement	15.1	457,283	156,079
Short-term borrowing under Money Market scheme	15.2	1,724,443	243,223
Short-term borrowing under Export Refinance Scheme	15.3	2,353,000	2,000,000
Running finance under FE-25 Export and Import Scheme	15.5	555,718	166,248
Book overdraft		137,973	30,611
Islamic			
Short-term borrowing under running musharakah	15.5	981,976	647,088
		6,210,393	3,243,249
15.1 The facilities for running finance available from various commercial banks amounted to Rs. 1,357 million (30 June 2016: Rs. 1,193 million). The rates of mark-up on these finances range from 6.22% to 7.76% per annum (30 June 2016: 6.75% to 7.89% per annum). Unavailed facility as at 31 March 2017 is Rs. 900 million (30 June 2016: Rs. 1,036 million).			
15.2 The facilities for short-term borrowing under Money Market Scheme available from various commercial banks under mark-up arrangements amounted to Rs. 4,314 million (30 June 2016: Rs. 4,414 million). Unavailed facility as at 31 March 2017 is Rs. 2,590 million (30 June 2016: 4,171 million). The rate of markup on these finance ranges from 6.00% to 6.14% per annum (30 June 2016: 6.16% to 6.55% per annum).			
15.3 The Company has borrowed short-term running finance under the Export Refinance Scheme of the State Bank of Pakistan (SBP). The facility availed is for an amount of Rs. 2,353 million (30 June 2016: Rs. 2,000 million). The rates of mark-up on this facility are 2.15% to 2.20% per annum (30 June 2016: 3.80% to 4.00% per annum).			
15.4 The Company has borrowed short-term running finance under Foreign Exchange Circular No. 25 dated 20 June 1998 from certain banks for the purpose of meeting import requirements. The facilities availed are for an amount USD 5 million equivalent to Rs. 556 million (30 June 2016: USD 1.6 million equivalent to Rs. 166 million). The rate of mark-up on these facilities is 2.1% per annum (30 June 2016: 2 % to 4% per annum).			
15.5 The facilities under running musharakah from various banks amounted to Rs. 1,000 million (30 June 2016: 1,000 million). The rate of profit on these finances is 6.32% per annum (30 June 2016: 6.16% per annum. Unavailed facility as at the period end amounted to Rs 18 million (30 June 2016: Rs.353 million).			
15.6 All running finance and short-term borrowing facilities are secured by way of hypothecation of all present and future fixed assets (excluding lands and buildings) and present and future current and moveable assets.			



16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- 16.1.1** Bank guarantees have been issued under certain supply contracts and to the Collector of Customs aggregating Rs. 277.9 million (30 June 2016: Rs. 186.9 million).
- 16.1.2** Custom duties amounting to Rs. 51 million (30 June 2016: Rs. 52 million) on import of raw material shall be payable by the Company in case of non-fulfillment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Company has provided post-dated cheques in favor of the Collector of Customs which are, in normal course of business, to be returned to the Company after fulfillment of stipulated conditions. The Company has fulfilled the condition for the aforementioned amounts and is making efforts to retrieve the associated post-dated cheques from the customs authorities.
- 16.1.3** An amount of Rs. 375 million was claimed by the customs authorities as duty rate differential on imports made during 2005-10 due to an anomaly in SRO 565(1) / 2006 Serial 88. Since then, the anomaly has been rectified. The Company filed a petition with the Sindh High Court in 2010 for an injunction and is awaiting the final judgment.
- 16.1.4** The customs authorities have charged a redemption fine of Rs. 83 million on the clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Sindh High Court, which has set aside the examination reports including the subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities have filed an application for leave to appeal against the order of the High Court. The management anticipates that the chances of admission of such appeal are remote.
- 16.1.5** The Company has reversed the provision for the levy of Infrastructure Cess amounting to Rs. 107 million in 2009 on the basis of a decision of the Sindh High Court which declared the levy of Infrastructure Cess before 28 December 2006 as void and invalid. However, the Excise and Taxation Department (the Department) has filed an appeal before the Supreme Court of Pakistan against such order. As such the guarantee against this amount has not yet been returned. In May 2011, the Supreme Court disposed-off the appeal with a joint statement of the parties and hence the was referred back to High Court. On 31 May 2011, the High Court has granted an interim relief for return of Bank Guarantees (BG) on the consignment released upto 27 December 2006 and any BG submitted after 27 December 2006 shall be encashed to the extent of 50% of the guarantee amount only with balance kept intact till the disposal of petition. If the Court upholds the applicability of Fifth Version of the law and its retrospective effect, the authorities will be entitled to claim the amounts due. Bank guarantees amounting to Rs. 430 million (30 June 2016: Rs. 383 million) which includes Rs. 107 million mentioned above have been provided to the Department in this regard. However, a provision to the extent of amount utilised from the limit of guarantee has also been provided for by the Company on prudent basis (note 14.2).
- 16.1.6** During the year 2015, Government passed a new law "Gas Infrastructure Development Cess Act 2015" by virtue of which all prior enactments have been declared infructuous. The said Act levies GID Cess at Rs. 200/MMBTU on captive power consumption effective 1 July 2011 and at Rs. 100/MMBTU on industrial connection from the date of passing of that Act. The Company has obtained a stay order on the retrospective application of the Act from the Honorable High Court of Sindh. The Company is confident of favorable outcome and therefore has not recorded provision of Rs. 95.1 million in these financial statements. However, the Company has recognised the cess after the passage of the Act. In spite of a decision of the High Court of Sindh on 26th October 2016 which held that GIDC Act 2015 ultra vires the Constitution, SSGC has filed an intra-court appeal before the Divisional Bench of Sindh High Court.

Further management has not recognized GIDC amounting to Rs.42 million pertaining to period from 01 July 2011 to 31 March 2017 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

16.1.7 The Model Collectorate of Customs (MCC), Peshawar stopped the exports of the Company goods to Afghanistan under the pretext that SRO 190(I) / 2002 dated 2 April 2002 on the account of non-payment of 17% Sales Tax. A Constitutional Petition in the Sindh High Court (SHC) on 1 October 2015 arguing that there is no sales tax on exports to Afghanistan as per manufacturing bond rules SRO 450(I) / 2015 and that SRO 190 issued in 2002 was never implemented and hence under the Sales Tax Act 1990 no such liability could be raised at this stage. The SHC granted a stay order by allowing our exports to Afghanistan subject to depositing bank guarantees worth Rs. 6.2 million (i.e. value of disputed sales tax amount) before the Nazir of the SHC. On 30 October 2015 FBR issued a clarification as to the applicability of SRO 190(I) / 2002 and stated that exports made to Afghanistan does not attract the levy of sales tax. The same has already been filed before the SHC and disposal of the case along with return of the said bank guarantees is awaited.

16.1.8 The Company has issued a corporate guarantee to a commercial bank for securing funded and unfunded facilities of Rs. 125 million each by its wholly owned Subsidiary Company IIL Stainless Steels (Private) Limited. The facilities are secured by way of hypothecation of all present and future fixed assets (excluding land and building) and present and future current and moveable assets.

16.1.9 Post dated cheques issued in favour of Nazir High Court amounted to Rs.11.6 million (30 June 2016: Rs nil).

16.2 Commitments

16.2.1 Capital expenditure commitments outstanding as at 31 March 2017 amounted to Rs. 89.6 million (30 June 2016: Rs. 122.7 million).

16.2.2 Commitments under Letters of Credit for raw materials and stores and spares as at 31 March 2017 amounted to Rs. 1,220.5 million (30 June 2016: Rs. 97.9 million).

16.2.3 Commitments under purchase contracts as at 31 March 2017 amounted to Rs. 319.5 million (30 June 2016: Rs. 558.2 million).

16.2.4 Unavailed facilities for opening letters of credit and guarantees from banks as at 31 March 2017 amounted to Rs. 6,412 million (30 June 2016: Rs. 7,757 million) and Rs. 208 million (30 June 2016: Rs. 346 million) respectively.



17. NET SALES

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	------(Rupees in '000)-----			
Local	10,734,844	9,844,087	4,102,774	3,417,879
Export	3,283,991	3,291,203	1,005,647	1,226,016
	14,018,835	13,135,290	5,108,421	4,643,895
Sales Tax	(1,583,651)	(1,438,204)	(620,864)	(499,147)
Trade discounts	(366,663)	(376,155)	(104,497)	(133,563)
Sales discount and commission	(264,419)	(278,584)	(83,274)	(99,956)
	(2,214,733)	(2,092,943)	(808,635)	(732,666)
	11,804,102	11,042,347	4,299,786	3,911,229

18. COST OF SALES

Opening stock of raw material and work-in-process	2,190,511	1,689,104	2,338,613	1,664,679
Purchases	11,588,507	8,778,578	6,294,543	3,333,895
Salaries, wages and benefits	570,797	545,407	208,487	145,822
Rent, rates and taxes	1,530	1,649	348	780
Electricity, gas and water	283,397	260,387	93,937	88,888
Insurance	4,696	4,825	1,599	(464)
Security and janitorial	19,083	20,696	6,947	7,124
Depreciation and amortisation	262,100	171,789	86,784	63,323
Stores and spares consumed	48,612	47,994	16,558	15,354
Provision for stores and spares obsolescence	24,631	-	-	-
Repairs and maintenance	80,147	75,294	30,843	22,693
Postage, telephone and stationery	5,866	7,701	1,695	3,194
Vehicle, travel and conveyance	11,498	11,723	4,081	3,846
Internal material handling	20,847	20,425	9,211	6,818
Environment controlling expenses	182	169	63	54
Sundries	2,104	3,527	605	1,480
Toll manufacturing charges	5,493	9,207	2,028	2,228
Partial manufacturing	(101,249)	-	(101,249)	-
Sale of scrap generated during production	(460,568)	(309,324)	(247,804)	(91,220)
Closing stock of raw materials and work-in-process	(4,792,765)	(2,113,124)	(4,792,765)	(2,113,124)
Cost of goods manufactured	9,765,419	9,226,027	3,954,524	3,155,370
Finished goods and by-products:				
- Opening stock	1,272,447	1,488,734	1,000,202	1,302,321
- Closing stock	(1,483,997)	(1,185,747)	(1,483,997)	(1,185,747)
	(211,550)	302,987	(483,795)	116,574
	9,553,869	9,529,014	3,470,729	3,271,944

19.	SELLING AND DISTRIBUTION EXPENSES	Nine months period ended		Quarter ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
(Rupees in '000)					
	Freight and forwarding	382,450	320,971	142,924	102,444
	Salaries, wages and benefits	111,585	91,761	39,985	29,503
	Rent, rates and taxes	496	216	53	45
	Electricity, gas and water	3,532	3,662	1,058	972
	Insurance	1,006	1,158	433	379
	Depreciation and amortisation	9,499	9,183	2,631	3,393
	Repairs and maintenance	1,594	604	702	219
	Advertising and sales promotion	30,239	15,978	6,381	2,474
	Postage, telephone and stationery	5,457	4,981	2,187	1,928
	Office supplies	77	48	15	15
	Vehicle, travel and conveyance	12,266	13,305	4,967	4,342
	Provision for doubtful debts / write off	48,354	42,470	14,954	28,900
	Certification and registration charges	2,158	7,246	551	1,563
	Others	16,344	12,452	10,294	-
		625,057	524,035	227,135	176,177
20.	ADMINISTRATIVE EXPENSES				
	Salaries, wages and benefits	142,067	115,403	49,399	34,589
	Rent, rates and taxes	117	123	-	-
	Electricity, gas and water	2,521	1,878	606	525
	Insurance	1,947	1,663	710	1,272
	Depreciation and amortisation	12,696	12,390	4,209	4,049
	Repairs and maintenance	908	873	286	358
	Postage, telephone and stationery	6,696	6,771	1,899	2,084
	Office supplies	118	67	24	27
	Vehicle, travel and conveyance	5,397	4,160	1,283	1,706
	Legal and professional charges	49,194	12,251	41,619	3,172
	Certification and registration charges	4,026	3,318	1,553	1,353
	Others	6,449	8,273	2,692	2,552
		232,136	167,170	104,280	51,687
21.	FINANCIAL CHARGES				
	Mark-up on:				
	- long-term financing	16,283	12,145	5,427	5,388
	- short-term borrowings	59,301	152,750	27,137	58,339
	- running musharakah	15,237	8,884	403	8,688
	- diminishing musharakah	29,071	14,447	8,723	3,770
	Exchange loss on FE borrowing	3,854	71,527	-	3,342
	Interest on Workers' Profit				
	Participation Fund	421	560	-	
	Bank charges	11,694	9,829	909	3,539
		135,861	270,142	42,599	83,066



22. OTHER OPERATING CHARGES

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	------(Rupees in '000)-----			
Auditors' remuneration	1,970	1,821	603	456
Donations	23,413	12,700	10,237	8,000
Provision for receivable from WPPF in prior period	25,940	-	-	-
Workers' Profit Participation Fund	66,600	34,200	25,800	18,200
Workers' Welfare Fund	26,700	13,700	10,400	7,400
Project development expenses	9,736	3,229	4,344	3,361
	154,359	65,650	51,384	37,417

23. OTHER INCOME

Income / return on financial assets

Interest on bank deposits	836	695	259	253
---------------------------	-----	-----	-----	-----

Income from non-financial assets

Income from power generation	80,330	55,459	24,814	18,546
Gain on disposal of property, plant and equipment	3,655	32,204	(218)	8,720
Rental income	9,972	10,347	2,821	3,509
Dividend income from associate / subsidiary	320,875	7,278	3,639	-
Exchange gain	30,984	29,116	45,645	11,384
Others	9,675	9,935	3,042	3,002
	456,327	145,034	80,002	45,414

24. TAXATION

Current	404,471	152,019	137,921	49,663
Deferred	4,529	12,981	1,779	18,337
	409,000	165,000	139,700	68,000

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

The Company intends to distribute sufficient cash dividend for the year ending 30 June 2017 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed unconsolidated interim financial information.

25. MOVEMENT IN WORKING CAPITAL

	Nine months period ended	
	31 March 2017	31 March 2016
	----- (Rupees in '000) -----	
(Increase) / decrease in current assets:		
Store and spares	20,120	(11,597)
Stock-in-trade	(2,782,509)	111,302
Trade debts	(702,079)	141,150
Advances	14,970	117,105
Trade deposit and short-term prepayments	(7,011)	(812)
Other receivables	(44,694)	(8,362)
	(3,501,203)	348,786
(Decrease) in current liabilities:		
Trade and other payables	(33,269)	(73,556)
	(3,534,472)	275,230

26. TRANSACTIONS WITH RELATED PARTIES

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

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

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



	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in '000)			
Subsidiary companies				
Sale of material, stores and capital items	965,883	290,793	346,371	106,815
Purchase of raw material, stores and capital items	4,797,896	1,864,492	2,816,522	548,784
Cost of shared resources	45,727	37,087	15,161	11,906
Toll manufacturing (inclusive of sales tax)	2,913	20,139	1,130	1,435
Partial manufacturing (inclusive of sales tax)	118,461	-	118,461	-
Reimbursement of expenses	1,589	12,563	86	7,209
Rental income	9,287	9,987	2,629	3,329
Dividend received	306,319	-	-	-
Associate companies				
Sales	461	1,302	-	-
Purchases	6,321	6,299	2,309	468
Reimbursement of expenses	789	-	153	-
Dividend paid	3,456	1,440	1,440	-
Dividend received	14,556	7,278	3,639	-
Key management personnel				
Remuneration	160,558	150,477	54,879	49,120
Staff retirement benefits				
Contribution paid	55,088	44,137	10,687	13,908
Non-executive directors				
Directors' fee	3,510	2,610	630	750

27. SEGMENT REPORTING

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

27.1 SEGMENT REVENUE AND RESULTS	Steel Segment	Plastic Segment	Total
For the period ended 31 March 2017	(Rupees in '000)		
Sales	10,981,345	822,757	11,804,102
Cost of sales	8,803,421	750,448	9,553,869
Gross Profit	2,177,924	72,309	2,250,233
For the period ended 31 March 2016			
Sales	9,818,619	1,223,728	11,042,347
Cost of sales	8,489,307	1,039,707	9,529,014
Gross Profit	1,329,312	184,021	1,513,333

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

	Nine months period ended	
	31 March 2017	31 March 2016
	----- (Rupees in '000) -----	
Total results for reportable segments	2,250,233	1,513,333
Selling, distribution and administrative expenses	(857,193)	(691,205)
Financial charges	(135,861)	(270,142)
Other operating expenses	(154,359)	(65,650)
Other operating income	456,327	145,034
Taxation	(409,000)	(165,000)
Profit after tax	<u>1,150,147</u>	<u>466,370</u>

27.2 SEGMENT ASSETS & LIABILITIES	Steel Segment	Plastic Segment	Total
As at 31 March 2017 - Un-audited	----- (Rupees in '000) -----		
Segment assets	<u>12,708,484</u>	<u>1,424,606</u>	<u>14,133,090</u>
Segment liabilities	<u>7,033,524</u>	<u>922,358</u>	<u>7,955,882</u>
As at 30 June 2016 - Audited			
Segment assets	<u>9,778,071</u>	<u>756,916</u>	<u>10,534,987</u>
Segment liabilities	<u>4,874,698</u>	<u>397,876</u>	<u>5,272,574</u>

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

	31 March 2017 (Un-audited)	30 June 2016 (Audited)
	----- (Rupees in '000) -----	
Total reportable segments assets	14,133,090	10,534,987
Unallocated assets	3,160,877	3,441,694
Total assets as per Balance Sheet	<u>17,293,967</u>	<u>13,976,681</u>
Total reportable segments liabilities	7,955,882	5,272,574
Unallocated liabilities	1,600,790	1,397,603
Total liabilities as per Balance Sheet	<u>9,556,672</u>	<u>6,670,177</u>



28 MEASUREMENT OF FAIR VALUES

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2017								
Carrying amount					Fair Value			
Loan and receivables	Other financial assets	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	
(Rupees in '000)								
Financial assets measured at fair value								
Investment - quoted Company	-	2,583,537	-	2,583,537	32,313,810	-	-	

30 June 2016								
Carrying amount					Fair Value			
Loan and receivables	Other financial assets	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	
(Rupees in '000)								
Financial assets measured at fair value								
Investment - quoted Company	-	2,583,537	-	2,583,537	9,142,545	-	-	

Management assessed that the fair values of cash & cash equivalent and short-term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. For long term deposit assets and long term liabilities management consider that their carrying values approximates fair value.

29 CORRESPONDING FIGURES

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

29.1 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on 21 April 2017.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer



Promising Reliability, For Now and Tomorrow

**Condensed Interim Consolidated
Financial Information (Un-audited)
March 31, 2017**



Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 31 March 2017

ASSETS

Non-current assets

Property, plant and equipment	4	17,818,472	17,564,795
Intangible assets		13,243	13,429
Long-term deposits		52,575	46,266
Investment in equity-accounted investee	5	305,088	270,097
		18,189,378	17,894,587

Current assets

Stores and spares		609,080	575,099
Stock-in-trade	6	16,392,375	9,489,551
Trade debts	7	2,731,464	2,036,714
Advances	8	182,983	192,807
Trade deposits and short-term prepayments	9	45,167	19,163
Sales tax receivable		455,435	423,422
Other receivables	10	55,881	77,047
Taxation		930,029	1,792,532
Bank balances		87,015	70,405
		21,489,429	14,676,740

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital 200,000,000 (2016: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
---	--	------------------	------------------

Issued, subscribed and paid-up capital		1,198,926	1,198,926
General reserves		2,991,258	2,991,258
Unappropriated profit		2,993,096	1,644,740
Translation reserve	11	(1,053)	(1,251)

Total equity

Non-controlling interest		3,313,024	2,692,184
		10,495,251	8,525,857

Surplus on revaluation of property, plant and equipment

LIABILITIES

Non-current liabilities

Long-term financing - secured	12	4,933,235	5,083,027
Staff retirement benefits		69,331	69,331
Deferred taxation - net		1,899,944	1,068,925
		6,902,510	6,221,283

Current liabilities

Trade and other payables	13	9,943,251	6,571,242
Short-term borrowings - secured	14	7,522,910	6,767,004
Current portion of long-term financing	12	1,264,070	857,221
Accrued markup		108,483	84,170
Sales tax payable		-	41,814
		18,838,714	14,321,451

Total liabilities

Contingencies and commitments

Total equity and liabilities

The annexed notes 1 to 26 form an integral part of this condensed interim consolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Nadir Akbarali Jamal
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer

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

For the nine months period and quarter ended 31 March 2017

	Note	Nine months period ended		Quarter ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
(Rupees in '000)					
Net sales	16	32,530,252	24,303,463	11,425,028	9,894,190
Cost of sales	17	(25,709,609)	(21,447,319)	(8,909,013)	(8,255,655)
Gross profit		6,820,643	2,856,144	2,516,015	1,638,535
Selling and distribution expenses	18	(898,182)	(653,057)	(333,476)	(230,431)
Administrative expenses	19	(383,307)	(301,470)	(164,042)	(104,359)
		(1,281,489)	(954,527)	(497,518)	(334,790)
Financial charges	20	(478,011)	(871,521)	(147,957)	(259,794)
Other operating charges	21	(475,302)	(201,945)	(153,771)	(88,154)
		(953,313)	(1,073,466)	(301,728)	(347,948)
Other income	22	180,428	177,402	85,232	61,089
Share of profit in equity-accounted investee		24,352	11,674	8,511	3,907
Profit before taxation		4,790,621	1,017,227	1,810,512	1,020,793
Taxation	23	(1,950,238)	(221,973)	(669,583)	(336,609)
Profit after taxation		2,840,383	795,254	1,140,929	684,184
Profit after taxation attributable to:					
Owners of Holding Company		1,988,802	640,410	792,509	498,581
Non-controlling interest		851,581	154,844	348,420	185,603
		2,840,383	795,254	1,140,929	684,184
(Rupees)					
Earnings per share - basic and diluted		16.59	5.34	6.61	4.16

The annexed notes 1 to 26 form an integral part of this condensed interim consolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer



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

For the nine months and quarter ended 31 March 2017

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in '000)			
Profit after taxation	2,840,383	795,254	1,140,929	684,184
Other comprehensive income				
Item to be reclassified to profit and loss accounts in subsequent periods				
Foreign operation - foreign currency translation difference	198	(295)	455	(97)
Proportionate share of other comprehensive income of equity accounted investee	448	(1,284)	220	-
Other comprehensive income	646	(1,579)	675	(97)
Total comprehensive income	2,841,029	793,675	1,141,604	684,087
Total comprehensive income attributable to:				
Owners of Holding Company	1,989,448	638,831	793,184	498,484
Non-controlling interest	851,581	154,844	348,420	185,603
Total comprehensive income	2,841,029	793,675	1,141,604	684,087

The annexed notes 1 to 26 form an integral part of this condensed interim consolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer

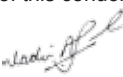
Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months period ended 31 March 2017

Note	(Un-audited) 31 March 2017 ----- (Rupees in '000) -----	(Un-audited) 31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
	4,790,621	1,017,227
Profit before taxation		
Adjustments for:		
Depreciation and amortisation	870,684	720,336
Provision for doubtful debts	44,431	42,393
Interest on bank deposits	(1,017)	(1,390)
(Gain) on disposal of property, plant and equipment	(5,708)	(38,508)
Provision for staff gratuity	35,758	36,072
Share of profit from associated company	(24,352)	(11,674)
Translation reserve	170	(379)
Amortisation of long term prepayments	-	833
Financial charges	478,011	871,642
	6,188,598	2,636,552
Movement in:		
Working capital	(4,376,918)	1,701,230
Long-term deposits	(6,309)	(26,399)
Net cash generated from operations	1,805,371	4,311,382
Financial charges paid	(453,698)	(991,818)
Gratuity paid	(36,092)	(32,927)
Taxes paid	(256,729)	(22,247)
Net cash generated from operating activities	1,058,852	3,264,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,152,334)	(1,105,734)
Dividend income received	14,556	7,278
Proceeds from disposal of property, plant and equipment	34,163	46,460
Interest income received	1,017	1,390
Net cash used in investing activities	(1,102,598)	(1,050,606)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowing / (repayment) of long-term financing - secured	257,057	(79,131)
Dividends paid to non controlling interest	(237,130)	(6)
Dividends paid	(715,477)	(410,147)
Net cash used in financing activities	(695,550)	(489,284)
Net (decrease) / increase in cash and cash equivalents	(739,296)	1,724,500
Cash and cash equivalents at beginning of the period	(6,696,599)	(8,715,495)
Cash and cash equivalents at end of the period	(7,435,895)	(6,990,995)
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	87,015	80,457
Short-term borrowings - secured	(7,522,910)	(7,071,452)
	(7,435,895)	(6,990,995)

The annexed notes 1 to 26 form an integral part of this condensed interim consolidated financial information.


Fuad Azim Hashimi
Director & Chairman
Board Audit Committee


Nadir Akbarali Jamal
Chief Financial Officer


Riyaz T. Chinoy
Chief Executive Officer

3rd Quarter Ended
March 31, 2017 | 29



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

For the nine months period ended 31 March 2017

	Attributable to owners of the Holding Company						Non-controlling interest	Total
	Issued, subscribed and paid-up capital	General reserves	Revenue Reserves		Total reserves	Total		
			Un-appropriated profit / (loss)	Exchange translation reserve				
Balance as at 1 July 2015	1,198,926	2,991,258	567,749	(1,216)	3,557,791	4,756,717	2,170,330	6,927,047
Total comprehensive income for the period ended 31 March 2016								
Profit for the period	-	-	640,410	-	640,410	640,410	154,844	795,254
Other comprehensive income	-	-	(1,284)	(295)	(1,579)	(1,579)	-	(1,579)
	-	-	639,126	(295)	638,831	638,831	154,844	793,675
Transactions with owners recorded directly in equity								
Distribution to owners of the Holding Company:								
-Final dividend @ 25.00% (Rs. 2.50 per share) for the year ended 30 June 2015	-	-	(299,732)	-	(299,732)	(299,732)	-	(299,732)
-Interim dividend @ 10.00% (Rs. 1.00 per share) for the year ended 30 June 2016	-	-	(119,893)	-	(119,893)	(119,893)	-	(119,893)
Total transactions with owners of the Holding Company	-	-	(419,625)	-	(419,625)	(419,625)	-	(419,625)
Re-translate to reserves	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	30,200	-	30,200	30,200	3,794	33,994
Balance as at 31 March 2016	1,198,926	2,991,258	817,450	(1,511)	3,807,197	5,006,123	2,328,968	7,335,091
Balance as at 1 July 2016	1,198,926	2,991,258	1,644,740	(1,251)	4,634,747	5,833,673	2,692,184	8,525,857
Total comprehensive income for the period ended 31 March 2017								
Profit for the period	-	-	1,988,802	-	1,988,802	1,988,802	851,581	2,840,383
Other comprehensive income	-	-	448	198	646	646	-	646
	-	-	1,989,250	198	1,989,448	1,989,448	851,581	2,841,029
Distribution to owners of the Holding Company:								
-Final dividend @ 35% (Rs. 3.50 per share) for the year ended 30 June 2016	-	-	(419,624)	-	(419,624)	(419,624)	-	(419,624)
-Interim dividend @ 25% (Rs. 2.50 per share) for the year ending 30 June 2017	-	-	(299,732)	-	(299,732)	(299,732)	-	(299,732)
Total transactions with owners of the Holding Company	-	-	(719,356)	-	(719,356)	(719,356)	-	(719,356)
Final dividend @ 10% (Re. 1.25 per share) attributable to non controlling interest	-	-	-	-	-	-	(237,431)	(237,431)
Transfer from surplus on revaluation on disposal of fixed assets - net of deferred tax	-	-	8,321	-	8,321	8,321	-	8,321
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	70,140	-	70,140	70,140	6,690	76,830
Balance as at 31 March 2017	1,198,926	2,991,258	2,993,095	(1,053)	5,983,300	7,182,226	3,313,024	10,495,251

The annexed notes 1 to 26 form an integral part of this condensed interim consolidated financial information.

Fuad Azim Hashimi
Director & Chairman
Board Audit Committee

Nadir Akbarali Jamal
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer

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

For the nine months period ended 31 March 2017

1. THE GROUP AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

- 2.1** This condensed interim consolidated financial information has been prepared from the information available in the condensed un-audited separate financial information of the Holding Company for the nine months period ended 31 March 2017 and the condensed un-audited financial information of the Subsidiary Companies for the nine months period ended 31 March 2017.

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

2.2 Statement of Compliance

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



- 2.3** This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency. All financial information presented has been rounded off to the nearest thousand Rupee.
- 2.4** This condensed interim consolidated financial information is being submitted to the shareholders as required by listing regulations of the Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984.
- 2.5** Estimates and judgements made by the Group in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the audited annual separate financial statements of the Group Entities as at and for the year ended 30 June 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

3.1.1 Investment in subsidiaries

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

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

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

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

3.1.2 Investment in associate

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress	Total
	(Rupees in '000)		
Cost / revalued amount			
Opening balance	21,926,842	238,670	22,165,512
Additions	549,067	1,113,457	1,662,524
Translate reserve	42	-	42
Disposal / transfers / adjustments	(59,716)	(549,067)	(608,783)
	<u>22,416,235</u>	<u>803,060</u>	<u>23,219,295</u>
Accumulated depreciation			
Opening balance	(4,600,717)	-	(4,600,717)
Disposal / adjustments	67,293	-	67,293
Charge for the period	(867,399)	-	(867,399)
	<u>(5,400,823)</u>	<u>-</u>	<u>(5,400,823)</u>
Written down value as at 31 March 2017 (Un-audited)	<u><u>17,015,412</u></u>	<u><u>803,060</u></u>	<u><u>17,818,472</u></u>
Written down value as at 30 June 2016 (Audited)	<u>17,326,125</u>	<u>238,670</u>	<u>17,564,795</u>

5. INVESTMENT IN EQUITY - ACCOUNTED INVESTEE

Note (Un-audited) (Audited)
31 March 30 June
2017 2016

(Rupees in '000)

Pakistan Cables Limited - associate company	5.1	<u>305,088</u>	<u>270,097</u>
---	-----	----------------	----------------

- 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 2016: 2,425,913 shares) of the Associate Company and holds 8.52% (30 June 2016: 8.52%) ownership interest in PCL.

The Chief Executive Officer of PCL is Mr. Kamal A. Chinoy. The market value as at 31 March 2017 was Rs. 716.348 million (30 June 2016: Rs. 413.667 million). The share of profit after acquisition is recognised based on PCL's unaudited financial statements as at 31 December 2016. The latest financial statements of the Associated Company as at 31 March 2017 are not presently available.

6. STOCK-IN-TRADE

(Un-audited) (Audited)
31 March 30 June
2017 2016

(Rupees in '000)

Raw material - in hand	7,072,178	3,802,345
- in transit	3,374,713	1,501,737
	<u>10,446,890</u>	<u>5,304,082</u>
Work-in-process	1,625,204	1,128,175
Finished goods	4,229,267	2,963,371
By-products	14,514	28,108
Scrap material	76,500	65,815
	<u>16,392,375</u>	<u>9,489,551</u>



- 6.1 Raw material of Holding Company amounting to Rs.1.5 million (30 June 2016: Rs.2.7 million) as at 31 March 2017 was held at vendor premises for the production of pipe caps.

(Un-audited) (Audited)
31 March 30 June
2017 2016

----- (Rupees in '000) -----

7. TRADE DEBTS

Considered good:

- secured
- unsecured

Considered doubtful

Provision for doubtful debts

984,729	990,548
<u>1,746,735</u>	<u>1,046,166</u>
<u>2,731,464</u>	<u>2,036,714</u>
<u>163,476</u>	<u>109,142</u>
<u>2,894,940</u>	<u>2,145,856</u>
<u>(163,476)</u>	<u>(109,142)</u>
<u>2,731,464</u>	<u>2,036,714</u>

8. ADVANCES

Considered good:

- Suppliers and service providers
- Employees for business related expenses

177,648	191,512
<u>5,335</u>	<u>1,295</u>
<u>182,983</u>	<u>192,807</u>

9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits

Short-term prepayments

14,886	9,488
<u>30,281</u>	<u>9,675</u>
<u>45,167</u>	<u>19,163</u>

10. OTHER RECEIVABLES

Considered good:

- Receivable for transmission of electricity to K- Electric Limited - unsecured
- Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods
- Others

48,460	49,011
<u>25,940</u>	<u>25,940</u>
<u>7,421</u>	<u>2,096</u>
<u>81,821</u>	<u>77,047</u>

- Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods

<u>(25,940)</u>	<u>-</u>
<u>55,881</u>	<u>77,047</u>

11. RESERVES

General Reserves

Unappropriated profit

2,991,258	2,991,258
<u>2,993,096</u>	<u>1,644,740</u>
<u>5,984,354</u>	<u>4,635,998</u>

12. LONG-TERM FINANCING - secured	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
		---- (Rupees in '000) ----	
Long-term finances utilised under mark-up arrangements - Conventional	12.1 - 12.4	3,976,472	4,290,248
- Islamic	12.5 - 12.7	2,220,833	1,650,000
		6,197,305	5,940,248
Current portion of long-term financing shown under current liabilities			
- Conventional	12.1 - 12.4	(605,746)	(457,221)
- Islamic	12.5 - 12.7	(658,324)	(400,000)
		4,933,235	5,083,027

Conventional

12.1 The Holding Company has an approved facility under long term finance facility of an amount aggregating Rs. 550 million. As at March 31, 2017 the holding company has outstanding of Rs. 540.8 million (30 June 2016: Rs. 546.3 million) from commercial bank. The facility is secured by way of a mortgage on all present and future land and buildings, located at plot number LX-15 &16 and HX-7/4, Landhi Industrial Estate, Karachi and Survey No.402, 405-406, Dehsharabi, Landhi Town, Karachi.

12.2 Long term finance amounting to Rs. 1,963.4 million (30 June 2016: 1,988.4 million) has been obtained from commercial banks by Subsidiary Company (ISL) and is secured by way of first pari passu charge over fixed assets of the Subsidiary Company.

12.3 Long term finance amounting to Rs 622.2 million (30 June 2016: Rs. 755.6 million) has been obtained by Subsidiary Company (ISL) from commercial bank and is secured way of first pari passu charge over fixed assets of the Subsidiary Company.

12.4 Long term finance amounting to Rs. 849.8 million (30 June 2016: 1,000 million) has been obtained by Subsidiary Company (ISL) from commercial bank and is secured way of first pari passu charge over fixed assets of the Subsidiary Company.

Islamic

12.5 The Holding Company has obtained long term financing utilised under diminishing musharakah arrangement and is secured by way of mortgage on all present and future land and buildings, located at plot no. LX-15&16 and H/X-7/4, Landhi Industrial Estate, Karachi and Survey no.402, 405-406, Dehsharabi, Landhi Town, Karachi.

12.6 Long term finance amounting to Rs 812.5 million (30 June 2016: 1,000 million) has been obtained by Subsidiary Company (ISL) from Islamic financial institution and is secured way of first pari passu charge over fixed assets of the Subsidiary Company.

12.7 Long term finance amounting to Rs. 833.3 million (30 June 2016: nil) has been obtained by Subsidiary Company (ISL) from Islamic financial institution and is secured way of first pari passu charge over fixed assets of the Subsidiary Company.



Note (Un-audited) (Audited)
31 March 30 June
2017 2016

----- (Rupees in '000) -----

13. TRADE AND OTHER PAYABLES

Trade creditors	13.1	6,131,509	3,751,982
Bills payable		-	480,618
Derivative financial liabilities		-	8,286
Sales commission payable		62,908	34,653
Provision for Government Levies		257	409
Accrued expenses		1,789,211	1,219,967
Provision for Infrastructure Cess	13.2	789,096	630,056
Short-term compensated absences		12,841	13,000
Advances from customers		514,053	250,855
Workers' Profit Participation Fund		259,894	23,117
Workers' Welfare Fund		183,385	79,587
Unclaimed dividends		20,912	17,033
Unclaimed dividend attributable to non controlling interest		685	384
Others		178,501	61,295
		<u>9,943,251</u>	<u>6,571,242</u>

13.1 This includes an amount of Rs. 5,017.2 million payable to Groups's associated companies (2016: 3,299.7 million)

13.2 Provision for Infrastructure Cess (Refer note 15.1.2)

Opening balance	630,056	508,210
Charge for the period	159,040	121,846
Closing balance	<u>789,096</u>	<u>630,056</u>

14. SHORT-TERM BORROWINGS - secured CONVENTIONAL

Running finance under mark-up arrangement from bank	14.1	527,606	2,819,923
Short-term borrowing under Money Market Scheme	14.2	1,724,443	243,223
Short-term running finance under Export Refinance Scheme	14.3	3,471,500	2,000,000
Running finance under FE-25 Import Scheme	14.4	555,718	166,248
Book overdraft		137,973	30,611
ISLAMIC			
Short-term finance under Running Musharakah	14.5	1,105,670	686,190
Short-term finance under Term Musharaka		-	820,809
		<u>7,522,910</u>	<u>6,767,004</u>

- 14.1** The facilities for running finance under mark-up arrangements, available to the Group Entities from various commercial banks, amounted to Rs. 9,639 million (30 June 2016: Rs.8,993 million) and are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding company range from 6.22% to 7.76% per annum (2016: 6.75% to 7.89% per annum). The rates of mark-up on these finances obtained by Subsidiary Company (ISL) ranges from 5.89% to 8.00% per annum (2016: 6.04% to 9.68% per annum).
- 14.2** The Holding Company has obtained facilities for short-term borrowing under Money Market Scheme financing from various commercial banks under mark-up arrangements amounted to Rs. 4,314 million (30 June 2016: Rs. 4,414 million). The rate of markup on these finance ranges from 6.00% to 6.14% per annum (30 June 2016: 6.16% - 6.55%) per annum.
- 14.3** 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. 3,471 (30 June 2016: Rs.2,000 million). The rates of mark-up on these facilities range from 2.15% to 2.20 % per annum (30 June 2016: 3.80% to 4.00% per annum).
- 14.4** The Holding Company has borrowed short-term running finance under Foreign Exchange Circular No.25 dated 20 June 1998 from various commercial banks for the purpose of meeting import requirements. The facilities availed is for an amount of USD 5 million equivalent to Rs.556 million (30 June 2016: USD 1.6 million equivalent to Rs. 166 million). The rate of markup on these facilities is 2.1% per annum. (30 June 2016: 2% to 4% per annum).
- 14.5** The Group has obtained facilities for short term finance under Running Musharakah. The rate of profit on these finances obtained by the Holding Company is 6.32% per annum (2016: 6.16%) per annum. The rate of profit on these finance obtained by the Subsidiary Company is 6.11% - 6.24% per annum (2016: 6.55% to 7.18%) per annum. The facility matures within twelve months and is renewable.
- 14.6** All running finances and short-term borrowing facilities are secured by way of hypothecation of all present and future fixed assets (excluding lands and building) and present and future current and moveable assets of Holding Company and joint and pari passu charges over current assets of the Subsidiary Company (ISL).
- 14.7** The Holding Company has issued a corporate guarantee to commercial bank for securing funded and unfunded facilities of Rs.125 million each for its wholly owned Subsidiary Company IIL Stainless Steels (Private) Limited. The facilities are secured by way of hypothecation of all present and future current and moveable assets.
- 14.8** As at 31 March 2017, the unavailed facilities from the above borrowings amounted to Rs.15,484 million. (30 June 2016: Rs 15,702 million).



15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 During the year 2015, Government passed a new law "Gas Infrastructure Development Cess Act 2015" by virtue of which all prior enactments have been declared infructuous. The said Act levies GIDC at Rs 200/MMBTU on captive power consumption effective 1 July 2011 and at Rs.100/MMBTU on industrial connection from the date of passing of that Act. The Holding Company and Subsidiary Company (ISL) have obtained a stay order on the retrospective application of the Act from The Honourable High Court of Sindh. The management is confident of favourable outcome and therefore has not recorded a provision of Rs. 475.9 million in these financial statements. However, the applicable cess has been recognised after the passage of the Act. In spite of a decision of the High Court of Sindh on 26th October 2016 which held that GIDC Act 2015 ultra vires the constitution, SSGC has filed an intra-court before the Divisional Bench of Sindh High Court.

Further, the Holding Company and the Subsidiary Company (ISL) have not recognized GIDC amounting to Rs. 753 million pertaining to period from 01 July 2011 to 31 March 2017 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. The Holding Company and the Subsidiary Company (ISL) consider that, in the event such levy is imposed, they shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

15.1.2 The Holding Company has reversed the provision for the levy of Infrastructure Cess amounting to Rs. 107 million in 2009 on the basis of a decision of the Sindh High Court which declared the levy of Infrastructure Cess before 28 December 2006 as void and invalid. However, the Excise and Taxation Department (the Department) has filed an appeal before the Supreme Court of Pakistan against such order. As such the guarantee against this amount has not yet been returned. In May 2011, the Supreme Court disposed-off the appeal with a joint statement of the parties and hence the case was referred back to the High Court. On 31 May 2011, the High Court has granted an interim relief for return of Bank Guarantees (BG) on the consignments released upto 27 December 2006 and any BG submitted after 27 December 2006 shall be encashed to the extent of 50% of the guarantee amount only with balance kept intact till the disposal of petition. If the Court upholds the applicability of Fifth Version of the law and its retrospective effect, the authorities will be entitled to claim the amounts due. Bank guarantees amounting to Rs. 926.4 million (30 June 2016: Rs. 760 million) which includes Rs. 107 million mentioned above have been provided to the Department in this regard by the Holding Company and Subsidiary Company (ISL). However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and Subsidiary Company on prudent basis (note: 13.2).

15.1.3 Guarantees issued by the Holding Company and Subsidiary Company (ISL) to various service providers amounting to Rs.557 million (30 June 2016: Rs.464 million) as security for continued provision of services.

15.1.4 The Group's share of associate's contingent liability is Rs.54.1 million (30 June 2016: Rs.46.5 million).

15.1.5 The Holding Company has issued post dated cheques in favour of Nazir High Court amounted to Rs.11.6 million (30 June 2016: Rs. nil). The Subsidiary Company has issued guarantees and post dated cheques in favour of Nazir High Court amounted to Rs. 126.9 million (30 June 2016: Rs. 2.6 million).

Holding Company

- 15.1.5** Custom duties amounting to Rs.51 million (30 June 2016: Rs. 52 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 favor of the Collector of Customs which are, in normal course of business, to be returned to the Holding Company after fulfilment of stipulated conditions. The Holding Company has fulfilled the conditions for the aforementioned duties and is making effort to retrieve the associated post-dated cheques from the custom authorities.
- 15.1.6** An amount of Rs. 375 million was claimed by the customs authorities as duty rate differential on imports made by the Holding Company during 2005-10 due to an anomaly in SRO 565(1) / 2006 Serial 88. Since then, the anomaly has been rectified. The Holding Company filed a petition with the Sindh High Court in 2010 for an injunction and as is awaiting the final judgement.
- 15.1.7** The customs authorities have charged a redemption fine of Rs. 83 million on the clearance of an imported raw material consignment in 2006. The Holding Company has filed an appeal before the Sindh High Court, which has set aside the examination reports including the subsequent order produced by the customs authorities, and ordered the authorities to re-examine the matter afresh. However, the customs authorities have filed an application for leave to appeal against the order of the High Court. The management anticipates that the chances of admission of such appeal are remote.
- 15.1.8** The Model Collectorate of Customs (MCC), Peshawar stopped the exports of the Company goods to Afghanistan under the pretext that SRO 190(I) / 2002 dated 2 April 2002 on the account of non-payment of 17% Sales Tax. A Constitutional Petition in the Sindh High Court (SHC) on 1 October 2015 arguing that there is no sales tax on exports to Afghanistan as per manufacturing bond rules SRO 450(I) / 2015 and that SRO 190 issued in 2002 was never implemented and hence under the Sales Tax Act 1990 no such liability could be raised at this stage. The SHC granted a stay order by allowing our exports to Afghanistan subject to depositing bank guarantees worth Rs. 6.2 million (i.e. value of disputed sales tax amount) before the Nazir of the SHC. On 30 October 2015 FBR issued a clarification as to the applicability of SRO 190(I) / 2002 and stated that exports made to Afghanistan does not attract the levy of sales tax. The same has already been filed before the SHC and disposal of the case along with return of the said bank guarantees is awaited.

Subsidiary Company (ISL)

- 15.1.9** Section 113(2)(c) of the Income Tax Ordinance, 2001 was interpreted by a Divisional Bench of the High Court of Sindh in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated 07 May 2013, whereby it was held that the benefit of carry forward of Minimum Tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than Minimum Tax. Therefore, where there is no tax payable due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability.

The Subsidiary Company based on legal counsels' advice considered that certain strong grounds are available whereby the aforesaid decision can be challenged in a Larger Bench of the High Court of Sindh or the Supreme Court of Pakistan. A leave to appeal against the aforesaid decision has already been filed before the Supreme Court of Pakistan by other companies which is pending for hearing. In view of above, the Subsidiary Company is confident that the ultimate outcome in this regard would be favourable.



Further, based on the tax expert's advice obtained during the quarter, accumulated minimum tax liability under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) of Rs. 431 million was determined from the tax year 2013 till 2015 and an amount of Rs. 248 million on account of Alternate Corporate Tax (ACT) for the tax year 2016 under section 113(C) of the Ordinance. However, based on the assessment and estimation for availability of sufficient taxable profits on the basis of 5 years projections and tax credits available to the Company under section 65(B) of the Income Tax Ordinance, 2001, accumulated minimum tax liability and alternate corporate tax net of tax credit under section 65(B) amounting to Rs. 157 million has not been recorded in this condensed interim financial information for the period ended 31 March 2017.

Additionally, during the period, provision for taxation has been made based on the income for the period determined in accordance with the prevailing law for taxation of income. The charge for tax is calculated using prevailing tax rates.

15.2 Commitments Group

15.2.1 Capital expenditure commitments of the Group Entities outstanding as at 31 March 2017 amounted to Rs.1,092.3 million (30 June 2016: Rs.442.77 million).

15.2.2 Commitments under letters of credit established by the Group Entities for raw material and spares as at 31 March 2017 to Rs. 11,043.7 million (30 June 2016: Rs.6,676 million).

15.2.3 The unavailed facilities for opening letters of credit and guarantees from banks as at 31 March 2017 amounted to Rs. 13,379 million (30 June 2016: 15,817 million) and Rs. 418 million (30 June 2016: 560 million) respectively.

Holding Company

15.2.4 Commitments under purchase contracts as at 31 March 2017 amounted to Rs. 319.5 million (30 June 2016: Rs.558.2 million).

16. NET SALES

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in '000)			
Local	32,756,107	23,883,452	11,793,888	9,895,559
Export	5,518,202	4,881,391	1,715,577	1,817,409
	<u>38,274,309</u>	<u>28,764,843</u>	<u>13,509,465</u>	<u>11,712,968</u>
Toll Manufacturing	(1,796)	2,657	(2,604)	615
Sales Tax	(4,794,169)	(3,613,348)	(1,742,806)	(1,491,161)
Trade discounts	(374,652)	(404,153)	(108,125)	(148,879)
Sales discount and commission	(573,440)	(446,536)	(230,902)	(179,353)
	<u>(5,742,261)</u>	<u>(4,464,037)</u>	<u>(2,081,833)</u>	<u>(1,819,393)</u>
	<u>32,530,252</u>	<u>24,303,463</u>	<u>11,425,028</u>	<u>9,894,190</u>

17. COST OF SALES

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in '000)			
Opening stock of raw material and work-in-process	4,930,520	4,321,027	6,700,628	3,194,047
Purchases	29,134,201	18,503,241	12,302,965	8,248,873
Salaries, wages and benefits	880,143	790,090	331,642	236,167
Rent, rates and taxes	1,586	1,651	366	780
Electricity, gas and water	991,288	882,295	339,410	363,899
Insurance	18,944	17,697	6,542	4,276
Security and janitorial	33,273	36,017	11,704	12,170
Depreciation and amortisation	805,771	641,183	266,264	231,842
Stores and spares consumed	115,667	123,038	41,572	46,045
Stores and spares scrapped	24,631	-	-	-
Repairs and maintenance	133,781	140,175	50,142	53,447
Postage, telephone and stationery	10,490	13,710	(167)	5,407
Vehicle, travel and conveyance	22,296	24,995	7,140	9,205
Internal material handling	34,360	27,426	15,183	10,731
Environment controlling expense	1,487	1,249	482	414
Sundries	8,981	10,620	990	5,381
Toll manufacturing charges	13,206	2,762	11,265	1,001
Stock written down to NRV	-	10,473	-	10,473
Sale of scrap generated during production	(1,248,835)	(791,561)	(569,640)	(295,491)
	35,911,790	24,756,088	19,516,488	12,138,667
Closing stock of raw material and work-in-process	(8,697,382)	(4,327,300)	(8,697,382)	(4,327,300)
Cost of goods manufactured	27,214,409	20,428,788	10,819,106	7,811,367
Finished goods and by-products :				
Opening stock	2,941,351	3,081,662	2,536,058	2,507,419
Closing stock	(4,446,151)	(2,063,131)	(4,446,151)	(2,063,131)
	(1,504,800)	1,018,531	(1,910,093)	444,288
	25,709,609	21,447,319	8,909,013	8,255,655

18 SELLING & DISTRIBUTION EXPENSES

Freight and forwarding expenses	545,258	384,822	209,208	130,610
Salaries, wages and benefits	163,643	126,697	60,790	41,649
Rent, rates and taxes	4,199	1,765	1,099	390
Electricity, gas and water	4,961	4,383	1,360	1,166
Insurance	5,989	1,511	2,582	540
Depreciation and amortisation	12,380	11,690	3,653	4,238
Repair and maintenance	2,067	1,067	789	358
Advertising and sales promotion	54,263	27,321	12,848	10,949
Postage, telephone and stationery	7,241	6,276	2,877	2,449
Office supplies	77	48	15	15
Vehicle, travel and conveyance	20,735	21,489	7,888	6,427
Provision for doubtful debts-net	51,295	42,470	17,895	28,900
Certification and registration charges	2,158	7,246	551	1,563
Others	23,916	16,272	11,921	1,177
	898,182	653,057	333,476	230,431



19	ADMINISTRATIVE EXPENSES	Nine months period ended		Quarter ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
		(Rupees in '000)			
	Salaries, wages and benefits	244,391	198,405	90,902	61,497
	Rent, rates and taxes	2,883	1,441	1,130	125
	Electricity, gas and water	4,027	2,672	918	720
	Insurance	3,442	2,950	1,300	1,731
	Depreciation and amortisation	17,047	16,718	5,633	5,653
	Repair and maintenance	908	873	252	290
	Postage, telephone and stationery	9,089	8,700	2,409	2,294
	Office supplies	118	67	24	27
	Vehicle, travel and conveyance	10,801	7,976	3,015	3,005
	Legal and professional charges	70,148	42,919	53,491	22,348
	Certifications and registration charges	4,853	3,787	1,721	1,502
	Directors' fees	5,790	4,710	1,710	1,350
	Others	9,811	10,252	1,537	3,817
		383,307	301,470	164,042	104,359
20.	FINANCIAL CHARGES				
	Mark-up on:				
	- Long-term financing	182,777	297,422	48,191	74,496
	- Short-term borrowings	136,622	311,716	49,255	126,346
	- Running musharakah	27,853	35,689	766	938
	- Diminishing musharakah	108,428	67,592	46,284	48,635
		455,680	712,419	144,496	250,415
	Exchange loss on FE borrowing	3,854	140,616	-	3,342
	Interest on Workers' Profit Participation Fund	506	560	-	-
	Bank charges	17,971	17,926	3,461	6,037
		478,011	871,521	147,957	259,794
21.	OTHER OPERATING CHARGES				
	Auditors' remuneration	3,729	3,539	1,037	919
	Loss on derivative financial instruments	31,483	10,524	-	10,524
	Donations	40,722	14,890	22,506	8,000
	Exchange loss	-	91,468	(14,661)	9,355
	Provision for receivable from WPPF in prior periods	25,940	-	-	-
	Workers' Profit Participation Fund	259,737	55,911	100,332	39,911
	Workers' Welfare Fund	103,955	22,384	40,213	16,084
	Project development expenses	9,736	3,229	4,344	3,361
		475,302	201,945	153,771	88,154

22. OTHER INCOME

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in '000)			
Income / return on financial assets				
Interest on bank deposits	1,555	1,390	407	455
Income from non-financial assets				
Income from power generation - 18MW	31,834	30,459	12,210	10,594
Income from power generation - 4MW	80,330	55,459	24,814	18,546
Gain on disposal of property, plant and equipment	5,708	38,508	91	12,084
Rental income	2,136	1,849	673	811
Exchange gain / (loss) - net	39,354	29,116	32,927	11,384
Others	19,511	20,621	14,110	7,215
	<u>180,428</u>	<u>177,402</u>	<u>85,232</u>	<u>61,089</u>

23. TAXATION

Current	982,899	167,712	408,625	55,623
Prior	136,320	-	-	-
Deferred	831,019	54,261	260,958	280,986
	<u>1,950,238</u>	<u>221,973</u>	<u>669,583</u>	<u>336,609</u>

24. TRANSACTIONS WITH RELATED PARTIES

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

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

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



	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Transactions with related parties	(Rupees in '000)			
<i>Associated companies</i>				
Sales	568,617	1,204,781	242,976	526,273
Purchases	10,660,597	7,494,115	4,265,096	3,641,945
Reimbursement of expenses	789	-	153	-
Rental income	1,566	1,489	596	631
Dividend paid	52,803	-	1,440	-
Dividend received	14,556	7,278	3,639	-
Associated person				
Sales commission expense	210	446	210	-
Key management personnel				
Remuneration & staff retirement benefits	308,459	246,259	114,322	81,630
Staff retirement funds				
Contribution paid	90,845	71,266	23,981	23,166
<i>Non- executive directors' fees</i>	5,790	4,710	1,710	1,350
Balances with related parties			(Un-audited)	(Audited)
			31 March	30 June
			2017	2016
			---- (Rupees in '000) ----	
Trade debts				
Pakistan Cables Limited			213	272
Sumitomo Corporation			-	91,400
Trade creditor				
Sumitomo Corporation			5,017,861	3,299,720

25 SEGMENT REPORTING

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

SEGMENT REVENUE AND RESULTS

	Steel Coils & Sheets	Steel Pipes	Plastic Pipes	Total
For the nine months period ended 31 March 2017	----- (Rupees in '000) -----			
Sales	20,768,254	10,939,241	822,757	32,530,252
Cost of sales	<u>16,954,430</u>	<u>8,004,731</u>	<u>750,448</u>	<u>25,709,609</u>
Gross Profit	<u>3,813,825</u>	<u>2,934,510</u>	<u>72,309</u>	<u>6,820,643</u>

For the nine months period ended 31 March 2016

Sales	13,009,699	10,070,036	1,223,728	24,303,463
Cost of sales	<u>11,692,438</u>	<u>8,715,174</u>	<u>1,039,707</u>	<u>21,447,319</u>
Gross Profit	<u>1,317,261</u>	<u>1,354,862</u>	<u>184,021</u>	<u>2,856,144</u>

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

	Nine months period ended	
	31 March 2017	31 March 2016
	(Rupees in '000)	
Total results for reportable segments	6,820,643	2,856,144
Selling, distribution and administrative expenses	(1,281,489)	(954,527)
Financial charges	(478,011)	(871,521)
Other operating expenses	(475,302)	(201,945)
Other operating income	180,428	177,402
Share of profit in equity-accounted investee - net of tax	24,352	11,674
Taxation	(1,950,238)	(221,973)
Profit after tax	<u>2,840,383</u>	<u>795,254</u>



SEGMENT ASSETS & LIABILITIES

	Steel Coils & Sheets	Steel Pipes	Plastic Pipes	Total
	(Rupees in '000)			
As at 31 March 2017				
- Un-audited				
Segment assets	<u>22,818,506</u>	<u>12,699,199</u>	<u>1,424,606</u>	<u>36,942,311</u>
Segment liabilities	<u>13,148,571</u>	<u>7,046,708</u>	<u>922,358</u>	<u>21,117,636</u>
As at 30 June 2016				
- Audited				
Segment assets	<u>18,475,088</u>	<u>9,859,056</u>	<u>756,916</u>	<u>29,091,060</u>
Segment liabilities	<u>12,183,336</u>	<u>4,874,697</u>	<u>397,876</u>	<u>17,455,909</u>

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

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
Total reportable segments assets	36,942,311	29,091,060
Unallocated assets	<u>2,736,496</u>	<u>3,480,267</u>
Total assets as per Balance Sheet	<u>39,678,807</u>	<u>32,571,327</u>
Total reportable segments liabilities	21,117,636	17,455,909
Unallocated liabilities	<u>4,623,588</u>	<u>3,086,825</u>
Total liabilities as per Balance Sheet	<u>25,741,224</u>	<u>20,542,734</u>

26 MEASUREMENT OF FAIR VALUES

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2017

	Carrying amount				Total	Fair Value		
	Loan and receivables	Other financial assets	Liabilities at fair value through profit or loss	Other financial liabilities		Level 1	Level 2	Level 3
(Rupees in '000)								
Financial assets								
Investment - quoted Company	-	305,088	-	-	305,088	716,348	-	-

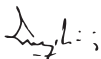
30 June 2016

	Carrying amount				Total	Fair Value		
	Loan and receivables	Other financial assets	Liabilities at fair value through profit or loss	Other financial liabilities		Level 1	Level 2	Level 3
----- (Rupees in '000) -----								
Financial assets								
Investment - quoted Company	-	270,097	-	-	270,097	413,667	-	-

Management assessed that the fair values of cash & cash equivalent and short-term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. For long term deposit assets and long term liabilities management consider that their carrying values approximates fair value.

26.1 DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Holding Company on 21 April 2017.



Fuad Azim Hashimi
Director & Chairman
Board Audit Committee



Nadir Akbarali Jamal
Chief Financial Officer



Riyaz T. Chinoy
Chief Executive Officer

This page is intentionally left blank