

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

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Company Information

Chairman	J. R. Rahim	(Independent Non-Executive Director)
Managing Director & CEO	Towfiq H. Chinoy	(Executive Director)
Directors	K.M.M. Shah	(Independent Non-Executive Director)
	Zaka U. Khan	(Executive Director)
	Kamal A. Chinoy	(Independent Non-Executive Director)
	Mustapha A. Chinoy	(Independent Non- Executive Director)
	Kemal Shoaib	(Independent Non- Executive Director)
	Fuad Azim Hashimi	(Independent Non- Executive Director)
	Javid Anwar	(Independent Non- Executive Director)
	Riyaz Chinoy	(Executive Director)
	Zaffar A. Khan	(Independent Non- Executive Director)
Chief Financial Officer	Asad A. Siddiqui	
Secretary	Liaquat Ali Tejani	
Auditors	KPMG Taseer Hadi & Co.	
Bankers	Standard Chartered Bank (Pakistan) Ltd. HSBC Bank Middle East Ltd. Faysal Bank Ltd. NIB Bank Ltd. Bank Al-Habib Ltd. Soneri Bank Ltd. MCB Bank Ltd. Habib Bank Ltd. United Bank Ltd.	
Legal Advisors	J. H. Rahimtoola & Company	
Website	www.iil.com.pk	
Registered Office	101, Beaumont Plaza, 10, Beaumont Road, Karachi-75530 Telephone Nos: 5680045-54 UAN: 111-019-019 Fax: 5680373 E-mail: inquiries@iil.com.pk	
Branch Office	Chinoy House, 6-Bank Square, Lahore-54000 Telephone Nos: 7229752-55 UAN: 111-019-019 Fax: 7220384 E-mail: lahore@iil.com.pk	
Factory	LX 15-16, Landhi Industrial Area, Karachi-75120 Telephone Nos: 5080451-55 Fax: 5082403 E-mail: factory@iil.com.pk	

Directors' Report

The Directors of your Company are pleased to present financial statement for the quarter ended March 31, 2009.

A slowdown of the international and domestic economies affected your company's progress. Local demand for products has remained low since October 2008 as activity in the public and private sectors remained unresponsive as a result of the deterioration in the macroeconomic indicators and the national security environment.

During the 9 months to March 2009, Company sales were Rs.9,227 million and the after tax profit Rs.208 million compared to Rs. 8,415 million and Rs. 421 million in the corresponding period of last year. Similarly the earnings per share were at Rs.2.1 compared to Rs.4.2 in the corresponding period last year.

In the quarter under review, the Company faced pressures of high cost inventories and low sales volumes. The situation was handled by a number of corrective measures including a reduction in operational expenses and inventory levels. Factory costs, financial charges and other expenses were reduced. During the quarter the company made enough profit to cover Conversion Costs, Administration and Selling Expenses and Financial charges.

It was other income which boosted the profitability of the company during the period under review. The company generated Rs. 95 million from power generation and Rs.3 million from sale of fixed assets. The company earned Rs. 85 million on account of exchange gain from export sales. Other income of Rs.106 million was booked on account of reversal of provision for infrastructure fee subsequent to the decision of the Sindh High Court.

The third quarter has seen a number of significant changes taking place. The International Steel market has stabilized at lower prices and a lower demand, leaving unutilized capacity. This has enabled us to buy smaller lots with quicker delivery time, thereby lowering inventory levels.

After absorbing an impairment in the value of stocks estimated at Rs.800 million of which Rs.549 million was reported in the half year, the company has been able to exhaust expensive raw material. As such the fourth quarter should bring about much better profitability.

Based on the market pattern which has shown a recovery in the domestic market in March and April'09 the demand of products in the domestic market is expected to continue to rise in the next quarter. However, export sales would remain under pressure in the prevailing global recession.

The Cold Rolling and Galvanized Sheet (CRGS) Project is progressing ahead of schedule. The galvanizing line, the first phase of the project, is expected to be commissioned Inshallah in the October-December 2009 quarter. The project cost is however not expected to increase despite the devaluation of the rupee and increase in financial charges as there has been saving due to renegotiation of prices of plant & machinery. This coupled with the decline in steel prices worldwide and the consequent reduction in the present working capital requirements of the Company, the Board of Directors of your Company have decided to withdraw and cancel the Rights Issue of 25% announced earlier as we should be able to put up the CRGS project without the rights issue. An EOGM is proposed for May 28, 2009 to obtain shareholders concurrence to this.

We pray to Almighty Allah for the continued success of your company.

For & on Behalf of
International Industries Limited



Karachi:
Date : 23 April 2009




J.R. Rahim
Chairman

Condensed Interim Balance Sheet (Un-audited) As at 31 March 2009

	Notes	(Un-audited) 31 March 2009	(Audited) 30 June 2008
ASSETS			
(Rupees in '000)			
Non-Current Assets			
Property, plant and equipment	4	5,549,363	4,172,307
Intangible assets		13,143	10,406
Long-term deposits		4,910	4,190
		5,567,416	4,186,903
Current Assets			
Stores and spares		132,373	99,674
Stock-in-trade	5	2,376,733	4,591,568
Trade debts	6	807,778	1,401,333
Loan and advances		22,686	7,571
Trade deposit and short term prepayments		31,227	14,981
Other receivables		190,876	280,240
Taxation - net		58,941	15,835
Cash and bank balances		147,746	28,106
		3,768,360	6,439,308
Total Assets		9,335,776	10,626,211
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 200,000,000 (30 June 2008: 100,000,000) ordinary shares of Rs. 10 each		2,000,000	1,000,000
Issued, subscribed and paid up capital ordinary shares of Rs. 10 each		999,105	832,587
General Reserves		1,272,854	997,854
Unappropriated profit		218,600	567,206
Total Equity		2,490,559	2,397,647
Surplus on revaluation of property, plant and equipment		1,381,739	1,391,292
LIABILITIES			
Non-Current Liabilities			
Long term financing	7	2,244,014	1,141,665
Deferred taxation - net		278,490	274,247
		2,522,504	1,415,912
Current Liabilities			
Trade and other payables	8	631,924	916,943
Short term borrowings	9	1,642,396	3,968,820
Current portion of long term financing	7	527,083	420,835
Accrued mark-up		139,571	114,762
		2,940,974	5,421,360
Contingencies and Commitments	10		
Total Equity and Liabilities		9,335,776	10,626,211

The annexed notes 1 to 18 form an integral part of these financial statements.


Kemal Shoaib
Director & Chairman
Board Audit Committee


Asad A. Siddiqui
Chief Financial Officer


Towfiq H. Chinoy
Managing Director & Chief Executive

Condensed Interim Profit and Loss Account (Un-audited) For the Third Quarter Ended 31 March 2009

	Notes	Nine months period ended		Quarter ended	
		31 March 2009	31 March 2008	31 March 2009	31 March 2008
		(Rupees in '000)		(Rupees in '000)	
Net Sales	11	9,226,720	8,418,633	2,542,555	3,246,431
Cost of sales	12	(8,379,644)	(7,190,102)	(2,338,681)	(2,850,440)
Gross profit		847,076	1,228,531	203,874	395,991
Selling and distribution expenses		(218,385)	(232,878)	(72,662)	(85,131)
Administrative expenses		(82,100)	(63,598)	(25,786)	(17,750)
		(300,485)	(296,476)	(98,448)	(102,881)
Financial charges	13	(476,827)	(334,608)	(128,594)	(88,997)
Other operating charges	14	(85,889)	(48,660)	(5,340)	(18,420)
		(562,716)	(383,268)	(133,934)	(107,417)
Other operating income	15	309,372	9,421	29,292	7,231
Profit before taxation		293,247	558,208	784	192,924
Taxation		(85,000)	(137,000)	(7,339)	(59,400)
Profit after taxation		208,247	421,208	(6,555)	133,524
		(Rupees)		(Rupees)	
Earnings Per Share - basic and diluted		2.1	(Restated) 4.2	(0.1)	(Restated) 1.3

The annexed notes 1 to 18 form an integral part of these financial statements.



Kemal Shoab
Director & Chairman
Board Audit Committee



Asad A. Siddiqui
Chief Financial Officer



Towfiq H. Chinoy
Managing Director & Chief Executive



Condensed Interim Cash Flow Statement (Un-audited) For the Third Quarter Ended 31 March 2009

	31 March 2009	31 March 2008
(Rupees in '000)		
Cash Flows From Operating Activities		
Profit before taxation	293,247	558,208
Adjustments for :		
Depreciation and amortization	162,155	155,042
Reversal of provision for infrastructure cess	(106,721)	-
Interest on bank deposit accounts	(641)	(1,128)
Gain on investment in units of money market funds	-	(97,701)
(Profit) / loss on sale of property, plant and equipment	(3,205)	1,748
Financial charges	476,827	334,608
	528,415	392,569
Working Capital Changes		
(Increase) / decrease in current assets:		
Stores and spares	(32,699)	(6,617)
Stock-in-trade	2,214,835	(463,068)
Trade debts	593,555	(274,982)
Loan and advances	(15,115)	(8,016)
Deposits and pre-payments	(16,246)	(13,172)
Other receivables	89,415	97,567
	2,833,745	(668,288)
(Decrease) / increase in current liabilities:		
Trade and other payables	(178,819)	504,020
Working capital changes - net	2,654,926	(164,268)
Net cash from operations	3,476,588	786,509
Financial charges paid	(452,018)	(302,800)
Taxes paid	(123,863)	(56,408)
Long term deposit	(720)	(506)
Net cash from operating activities	2,899,987	426,795
Cash Flows From Investing Activities		
Capital expenditure incurred	(1,544,336)	(569,830)
Proceeds from sale of property, plant and equipment	5,593	2,252
Interest received	590	1,414
Short term investments - net	-	(100,000)
Net cash (used in) investing activities	(1,538,153)	(666,164)
Cash Flows From Financing Activities		
Proceeds from long term financing	1,425,265	-
Repayment of long term financing	(216,668)	(62,500)
Dividends paid	(124,367)	(145,938)
Net cash from / (used in) financing activities	1,084,230	(208,438)
Net increase / (decrease) in cash and cash equivalents	2,446,064	(447,807)
Cash and cash equivalents at beginning of the period	(3,940,714)	(4,211,727)
Cash and cash equivalents at end of the period	(1,494,650)	(4,659,534)
Cash and cash equivalents comprises		
Cash and bank balances	147,746	16,177
Short-term borrowings	(1,642,396)	(4,675,711)
	(1,494,650)	(4,659,534)

The annexed notes 1 to 18 form an integral part of these financial statements.



Kemal Shoaib
Director & Chairman
Board Audit Committee



Asad A. Siddiqui
Chief Financial Officer




Towfiq H. Chinoy
Managing Director & Chief Executive

Condensed Interim Statement of Changes in Equity (Un-audited) For the Third Quarter Ended 31 March 2009

	Issued, subscribed & paid-up capital	Capital Reserve Issue of bonus shares	Revenue Reserves General reserves	Un- appropriated profit (Rupees in '000)	Total reserves	Deficit on remeasurement of available for sale investments	Total
Balance as at 01 July 2007	569,096	-	772,854	484,625	1,257,479	-	1,826,575
Changes in equity for the nine months period ended 31 March 2008							
Profit for the nine months period	-	-	-	421,208	421,208	-	421,208
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	9,942	9,942	-	9,942
Unrealised loss on measurement of available for sale investments (recognised directly in equity)	-	-	-	-	-	3,240	3,240
Total recognised income and expense for the period	-	-	-	431,150	431,150	3,240	434,390
Final dividend for the year ended 30 June 2007	-	-	-	(71,137)	(71,137)	-	(71,137)
Reserves for bonus issue	-	187,802	-	(187,802)	-	-	-
Bonus shares issued 2007	187,802	(187,802)	-	-	(187,802)	-	-
Transfer to general reserves	-	-	225,000	(225,000)	-	-	-
Interim dividend for the year ended 30 June 2008	-	-	-	(75,690)	(75,690)	-	(75,690)
Reserves for bonus issue	-	75,689	-	(75,689)	-	-	-
Bonus shares issued 2008	75,689	(75,689)	-	-	(75,689)	-	-
Balance as at 31 March 2008	832,587	-	997,854	280,457	1,278,311	3,240	2,114,138
Balance as at 01 July 2008	832,587	-	997,854	567,206	1,565,060	-	2,397,647
Changes in equity for the nine months period ended 31 March 2009							
Profit for the nine months period	-	-	-	208,247	208,247	-	208,247
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	9,553	9,553	-	9,553
Total recognised income and expense for the period	-	-	-	217,800	217,800	-	217,800
Final dividend for the year ended 30 June 2008	-	-	-	(124,888)	(124,888)	-	(124,888)
Reserves for bonus issue	-	166,518	-	(166,518)	-	-	-
Bonus shares issued 2008	166,518	(166,518)	-	-	(166,518)	-	-
Transfer to general reserves	-	-	275,000	(275,000)	-	-	-
Balance as at 31 March 2008	999,105	-	1,272,854	218,600	1,491,454	-	2,490,559

The annexed notes 1 to 18 form an integral part of these financial statements.


Kemal Shoaib
Director & Chairman
Board Audit Committee


Asad A. Siddiqui
Chief Financial Officer


Towfiq H. Chinoy
Managing Director & Chief Executive



Notes to the Condensed Interim Financial Statements For the Third Quarter Ended 31 March 2009

1. STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. These condensed interim financial statements do not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2008.

These condensed interim financial statements are being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2008.

4. PROPERTY, PLANT AND EQUIPMENT

Fixed capital expenditure during the period amounted to Rs.1,544.336 million (30 June 2008: Rs.756.768 million). Book value of fixed assets disposed off during the period amounted to Rs. 2.388 million (30 June 2008: Rs.4.881 million). Property, plant and equipment includes Rs.2,762.638 million relating to the new Galvanizing Plant and Cold Rolling Mills. It includes land amounting to Rs. 825.333 million, building Rs. 51.215 million, plant and machinery Rs.615.420 million and other assets including Capital work-in-progress Rs. 1,270.670 million.

5. STOCK IN TRADE

These are valued at lower of cost and net of realisable value. Cost is determined under the weighted average basis. Cost of work in process and finished goods consists of direct materials, labour and applicable production overheads. Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses. During the period under review raw material steel prices were remained volatile and as a result stock-in-trade has been written down to the net realisable value.

In compliance with International Accounting Standards the company has made a provision of Rs. 548.787 million for impairment of inventory by reducing the value to its estimated net realisable value. As on 31-3-2009 Rs. 428.065 million has been reversed whereas Rs. 120.722 million is still outstanding. A new assessment shall be made of net realisable value of stock in hand at the end of each month and when circumstances cause further adjustments they shall be made accordingly.

6. TRADE DEBTS

	(Un-audited) 31 March 2009	(Audited) 30 June 2008
	(Rupees in '000)	
Considered good - secured	88,742	367,772
Considered good - unsecured	719,036	1,033,561
Considered doubtful	5,720	5,720
	813,498	1,407,053
Provision for doubtful debts	(5,720)	(5,720)
	807,778	1,401,333

Notes to the Condensed Interim Financial Statements For the Third Quarter Ended 31 March 2009

7. LONG TERM FINANCING - secured	(Un-audited)	(Audited)
	31 March 2009	30 June 2008
	(Rupees in '000)	
Long-term finances obtained from banks under mark-up arrangements - secured 7.1 & 7.2	2,771,097	1,562,500
Less: Current portion shown under current liabilities	(527,083)	(420,835)
	<u>2,244,014</u>	<u>1,141,665</u>

The long term financing facilities have been obtained from various banks repayable in half yearly instalments. The rate of mark-up on these finances were from 16.68% to 16.93% (30 June 2008: 10.99% to 15.40 %).

- 7.1 The long term finance of Rs.1,795.832 million are secured by first charge by way of a joint equitable mortgage on all the present and future immovables properties on plot number LX-15 & 16 and HX-7/4, Landhi Industrial Area, Karachi and other assets of the Company, excluding inventories and book debts. As per the terms of the agreements with the banks, the Company is required to maintain certain financial and operating ratios throughout the period of the loans.
- 7.2 Its also includes project financing of Rs.975.265 million obtained from HBL lead consortium relating to new Galvanizing Plant and Cold Rolling Mills. These finances are secured by first charge by way of a joint equitable mortgage on immovable property on Survey no.399 - 405, Deh Sharabi, Landhi Town Karachi and hypothecation of all the present and future assets located on above mentioned property.

8. TRADE AND OTHER PAYABLES	(Un-audited)	(Audited)
	31 March 2009	30 June 2008
	(Rupees in '000)	
Trade creditors	48,208	75,678
Accrued expenses	385,894	377,033
Bills payable	1,635	407,431
Advance from customers	61,305	26,653
Workers' profit participation fund	15,766	7,948
Workers' welfare fund	16,651	15,372
Payable to defined benefit plan	3,946	793
Sales tax	91,763	-
Unclaimed dividend	5,309	4,788
Others	1,447	1,247
	<u>631,924</u>	<u>916,943</u>
9. SHORT TERM BORROWINGS		
Running finance under mark-up arrangement from banks - Secured 9.1	45,260	3,348,512
Short term borrowing under Export Refinance Scheme 9.2	1,236,000	600,000
Running finance under FE-25 Export and Import Schemes 9.3	357,238	-
Book overdraft	3,898	20,308
	<u>1,642,396</u>	<u>3,968,820</u>

9.1 The facilities for running finance available from various banks amounted to Rs. 4,013.000 million (30 June 2008: Rs.5,357.000 million) are secured by way of hypothecation of stock-in-trade and book debts. The unavailed facilities at the third quarter ended amounted to Rs.3,967.740 million (30 June 2008: Rs.2,008.488 million). The rate of mark-up on these finances were from 12.89% to 17.00% per annum. (30 June 2008: 11.00% to 14.88%).The facility for short term finance mature within twelve months.

9.2 The company has also borrowed short term running finance under Export Refinance Scheme of the State Bank of Pakistan. The facility availed is for an amount of Rs. 1,236.000 million (30 June 2008: Rs.600.000 million). The unavailed facilities at the third quarter ended amounted to Rs. nil million. (30 June 2008: Rs.nil). The rate of mark-up on these finance were 7.50% (30 June 2008: 7.50 %).

Notes to the Condensed Interim Financial Statements For the Third Quarter Ended 31 March 2009

9.3 The company has also borrowed short term running finance under Foreign Exchange Circular No.25 dated 20 June 1998 for the purpose of meeting import and export requirements. The facility availed is for an amount of USD 1.790 million for export (equivalent to Rs. 144.363 million) and USD 2.639 million for import (equivalent to Rs.212.875 million).(30 June 2008: nil)The unavailed facilities at the third quarter was USD 2.028 million for export and USD 20.074 million for import . The rate of markup on these finances were from 6.54 % to 8.00 % and are secured by way of hypothecation of stock-in-trade,book debts and export documents.

9.4 The facilities for opening letters of credit and guarantees from banks at the third quarter ended amounted to Rs. 4,602.000 million (30 June 2008: Rs.7,897.000 million) and Rs. 470.000 million (30 June 2008: Rs.475.000 million) respectively of which the amount remaining unutilised at the third quarter ended was Rs. 3,575.710 million (30 June 2008: 5,323.115 million) and Rs. 14.610 million (30 June 2008: 12.528 million) respectively.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 Bank guarantees have been issued under certain supply contracts and to collector of customs aggregating Rs. 339.994 million (30 June 2008: Rs.371.829 million).

10.1.2 The Company has provided guarantees amounting to Rs. 4.981 million (30 June 2008: Rs. 6.765 million) against the employees personal borrowings from a commercial bank.

10.1.3 Custom duties amounting to Rs.162.515 million (30 June 2008: 165.658 million) on import of raw material shall be payable by the Company in case of non-fulfillment of certain conditions imposed by the custom authorities under SRO 565(1) / 2006.

10.2 Commitments

10.2.1 Capital expenditure commitments outstanding as at 31 March 2009 amounted to Rs. 2,562.539 million (30 June 2008: Rs.1,625.219 million).

10.2.2 Commitments under letters of credit as at 31 March, 2009 amounted to Rs. 1,026.287 million (30 June 2008: Rs.1,009.658 million).

10.2.3 Commitments under purchase contracts as at 31 March, 2009 amounted to Rs. 21.560 million (30 June 2008: Rs.893.176 million).

11. NET SALES

	Nine months period ended		Quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	(Rupees in '000)		(Rupees in '000)	
Local	8,438,371	7,690,389	2,362,741	2,938,307
Export	2,177,154	1,909,441	580,141	763,514
	<u>10,615,525</u>	<u>9,599,830</u>	<u>2,942,882</u>	<u>3,701,821</u>
Sales tax and special excise duty	(1,180,983)	(1,008,276)	(332,825)	(388,017)
Trade discount	(72,789)	(38,326)	(26,894)	(16,757)
Sales discount and commission	(135,033)	(134,595)	(40,608)	(50,616)
	<u>(1,388,805)</u>	<u>(1,181,197)</u>	<u>(400,327)</u>	<u>(455,390)</u>
	<u>9,226,720</u>	<u>8,418,633</u>	<u>2,542,555</u>	<u>3,246,431</u>

Notes to the Condensed Interim Financial Statements For the Third Quarter Ended 31 March 2009

12. COST OF SALES

	Nine months period ended		Quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	(Rupees in '000)		(Rupees in '000)	
Opening stock of raw material and work-in-process	2,343,888	1,830,401	2,216,557	2,047,388
Purchases	6,779,688	6,311,070	1,390,996	1,926,975
Salaries, wages and benefits	204,932	182,912	65,054	59,667
Rates and taxes	1,862	2,707	564	787
Electricity, gas and water	95,870	90,413	28,869	31,512
Insurance	6,403	5,165	2,147	2,161
Security and janitorial	8,526	7,670	2,568	2,597
Depreciation and amortisation	125,600	137,080	42,168	46,216
Stores and spares consumed	28,024	34,527	7,332	12,292
Repairs and maintenance	45,345	57,303	11,080	22,099
Postage, telephone and stationery	3,869	3,272	478	1,023
Vehicle, travel and conveyance	4,406	3,543	1,256	1,247
Write down of inventories to net realisable value	120,722	-	(428,065)	-
Internal material handling	7,113	8,241	1,935	3,111
Environment control	1,666	2,252	383	834
Sundries	1,135	2,071	268	347
Recovery of scrap	(232,929)	(152,501)	(88,913)	(55,449)
Closing stock of raw material and work-in-process	(1,398,688)	(1,301,374)	(1,398,688)	(1,301,374)
Cost of goods manufactured	8,147,432	7,224,752	1,855,989	2,801,433
Finished goods and By-product				
Opening stock	1,168,553	1,324,703	1,419,033	1,408,360
Closing stock	(936,341)	(1,359,353)	(936,341)	(1,359,353)
	232,212	(34,650)	482,692	49,007
	<u>8,379,644</u>	<u>7,190,102</u>	<u>2,338,681</u>	<u>2,850,440</u>

13. FINANCIAL CHARGES

Mark-up on : Long term financing / Short term borrowings	468,013	328,796	125,998	87,124
Interest on workers' profit participation fund	114	100	-	-
Bank charges	8,700	5,712	2,596	1,873
	<u>476,827</u>	<u>334,608</u>	<u>128,594</u>	<u>88,997</u>

14. OTHER OPERATING CHARGES

Auditors' remuneration	958	714	282	183
Donations	13,675	10,726	5,000	5,201
Reversal of unrealised exchange gain on forward contracts	49,184	-	-	-
Workers' profit participation fund	15,766	29,771	42	10,298
Workers' welfare fund	6,306	7,449	16	2,738
	<u>85,889</u>	<u>48,660</u>	<u>5,340</u>	<u>18,420</u>

Notes to the Condensed Interim Financial Statements For the Third Quarter Ended 31 March 2009

15. OTHER OPERATING INCOME

	Nine months period ended		Quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	(Rupees in '000)		(Rupees in '000)	
Income / return on financial assets				
Interest on bank deposit accounts	641	1,128	329	164
Gain on disposal of available for sale investments	-	97,701	-	-
Income from non-financial assets				
Income from power generation	15.1 94,890	25,225	21,707	25,225
Gain on sale of property, plant & equipment	3,205	(1,748)	523	(1,749)
Rent income	361	328	120	110
Exchange gain / (loss)	85,123	(112,220)	3,984	(16,485)
Others				
Reversal of provision for infrastructure cess	106,721	-	-	-
Others	18,431	(993)	2,629	(34)
	<u>309,372</u>	<u>9,421</u>	<u>29,292</u>	<u>7,231</u>
15.1 Income from power generation				
Net Sales	497,400	86,173	160,819	86,173
Cost of electricity produced	(338,221)	(60,948)	(117,682)	(60,948)
Financial charges	(64,289)	-	(21,430)	-
	<u>(402,510)</u>	<u>(60,948)</u>	<u>(139,112)</u>	<u>(60,948)</u>
	<u>94,890</u>	<u>25,225</u>	<u>21,707</u>	<u>25,225</u>

16. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Nine months period ended		Quarter Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	(Rupees in '000)		(Rupees in '000)	
Associated Companies				
Sales	108	359	47	121
Purchases	11,769	9,943	3,189	1,488
Insurance premium expense	43,546	29,295	2,190	14,147
Insurance claims received	5,349	2,404	288	2,033
Gain on investment in units of money market funds	-	24,928	-	8,980
Donation	1,368	215	-	55
Dividend paid	3,062	3,834	-	1,908
Subscription paid	387	-	12	-
Others	361	342	120	124
Key Management Personnel & their spouses				
Remuneration	89,386	63,305	29,692	20,106
Disposal of vehicles	1,122	-	-	-
Staff Retirement Benefit Plans				
Contribution paid	7,476	6,537	1,637	1,480

The Company continues to have a policy whereby all transactions with related parties and associated undertakings are entered into at commercial terms and conditions. Contributions to the defined contribution plan (provident fund) are made as per the terms of employment. Further, remuneration to key management personnel are as per the terms of their employment.


17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 23 April 2009.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.


Kemal Shoaib
Director & Chairman
Board Audit Committee


Asad A. Siddiqui
Chief Financial Officer


Towfiq H. Chinoy
Managing Director & Chief Executive

Manufacturing Range

STEEL PIPE

GALVANIZED (GI) PIPE & SELF COLOUR (BLACK) PIPE

Diameters: 15mm (1/2"), 20mm(3/4"), 25mm (1"), 32mm (1 1/4"), 40mm (1 1/2"), 50mm(2"), 65mm (2 1/2"), 80mm(3"), 100mm(4"), 125mm(5") and 150mm(6")

Wall Thickness: From 1.80mm to 6.00mm

Standards: BS 1387 (1985), ASTM A53 (2002), DIN 2440 & 2441 and others upon request.

PRECISION STEEL TUBING

Diameters: 12.70mm to 60.30mm

Wall Thickness: From 0.60mm to 2.00mm

Standards: BS6323 (1982), BS 1717 (1983) and others upon request.

Shapes: Round, rectangle, square and elliptical

HIGH TENSILE

Diameters: 12.70 to 60.30mm

Standard: BS6323 Part 5

Wall Thickness: 0.80 to 1.60 mm

API LINE PIPE FOR GAS DISTRIBUTION, UNDER API LICENCE

Diameters: 26.7mm (3/4"), 33.4mm(1"), 60.3mm(2"), 114.3mm(4"), and 168.3mm(6")

Wall Thickness: From 2.87mm to 6.00mm

Standards: API 5L (Latest Edition), ASTM A53 (2002) and others upon request.

COLD ROLLED STRIPS & COILS

Thickness: From 0.60 to 2.60mm

Standards: JIS G 3141 (1996) and others upon request.

L, T&Z PROFILES FOR DOOR & WINDOW FRAMES AND 'D' PROFILE FOR RAILINGS

Shape/Size: L40, L48, L55, T48, T60, Z48, Z60 S& D60

Thickness: From 0.70mm to 1.20mm

Standard: BS 6323 Part 5

PLASTIC PIPE & DUCT

HDPE DUCT PIPE :

Diameter : 12mm to 250mm (without internal solid lubrication.)

12mm to 125mm (with internal solid lubrication.)

Standards: National, International and ILL standards

HDPE WATER PIPE:

Diameter : 16mm to 250mm

Standards : ISO 4427, DIN 8074, PS 3580

MDPE GAS PIPES:

Diameter : 3/4" to 10" & 20mm to 250mm

Standards : ISO 4437, ASTM D-2513, API 15LE, BGC/PS/PL2 : Part-1, SSGC & SNGPL Specification

PEX PIPES :

Diameter: 16mm to 63 mm

Standard: ISO 15875



License No. 5L-0391



License No. 15LE-0014

