In the name of Allah, most Gracious, most MercifulThis is by the Grace of Allah
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## 02 FIRST QUARTER 30 SEPTEMBER 2012

## Corporate and Management Directory

## Board of Directors

| Chairman | Mr. Kemal Shoaib | Independent Chairman |
| :---: | :---: | :---: |
| Managing Director \& CEO | Mr. Towfiq H. Chinoy | Executive Director |
| Directors | Mr. Mustapha A. Chinoy Mr. Kamal A. Chinoy Mr. Tariq Iqbal Khan Mr. Kamran Y. Mirza Syed Salim Raza Syed Hyder Ali Mr. Otomichi Yano | Non-Executive Director Non-Executive Director Independent Director Independent Director Independent Director Independent Director Non-Executive Director |
| Chief Financial Officer: | Mr. Liaquat Ali Tejani |  |
| Company Secretary: | Ms. Neelofar Hameed |  |
| External Auditors | M/s KPMG Taseer Hadi \& Co. |  |
| Bankers: | Habib Bank Ltd. <br> United Bank Ltd. <br> Faysal Bank Ltd. <br> Bank Al Habib Ltd. <br> MCB Bank Ltd <br> Standard Chartered Bank (Pakistan) Ltd. <br> NIB Bank Ltd. <br> Meezan Bank Ltd. <br> Bank Alfalah Ltd. <br> Dubai Islamic Bank (Pakistan) Ltd. <br> Habib Metropolitan Bank Ltd. <br> HSBC Bank Middle East Ltd. <br> Allied Bank Ltd. <br> Barclays Bank PLC. |  |
| Legal Advisor: | Mrs. Sana Shaikh Fikree |  |
| Registered Office: | 101, Beaumont Plaza <br> 10, Beaumont Road, Karachi-75530 <br> Phone: +9221-35680045-54 <br> UAN: 021-111-019-019 <br> Fax: +9221-35680373 <br> E-mail: inquiries@isl.com.pk |  |
| Branch Offices: | Lahore: <br> Chinoy House, 6 Bank Square <br> Lahore-54000 <br> Phone: +9242-37229752-55 <br> UAN: 042-111-019-019 <br> Fax: +9242-37249755 <br> E-mail: lahore@isl.com.pk | slamabad: <br> ffice \# 2, First Floor hmed Centre, 1-8 Markaz slamabad. hone: (9251) 2524650, 4864601-2 |
| Website: | www.isl.com.pk |  |
| Share Registrar: | THK Associates (Pvt.) Ltd. <br> Ground Floor, State Life Building 3 <br> Dr. Ziauddin Ahmed Road <br> Karachi-75530 <br> Phone: +9221-111-000-322 <br> Fax: +9221-35655595 <br> E-mail: info@thk.com.pk |  |

## Directors' Report

I am pleased to present the interim financial statements of your Company for the three months period ended 30 September 2012.

The net sales for the three months ended 30 September, 2012 amounted to Rs. 3,229 million as compared to Rs. 3,096 million in the same period last year. In spite of the floods in Singh and over all depressing market, sales were $6 \%$ higher in volume and $4 \%$ in value over the same period last year. Export sales though not as per expectations continue to grow. We are getting regular orders from Afghanistan and South Africa.

The operating profit for the three months ended 30 September, 2012 amounted to Rs. 249 million as compared to Rs. 173 million in the same period last year. During the period under review the dollar remained comparatively stable, as a result the exchange loss is only Rs. 3 million as compared to Rs. 90 million incurred in the same period last year. The financial expenses for the period amounted to Rs. 268 million as compared to Rs. 193 million for the same period last year. Profit margins continue to remain under pressure due to a reduction in the Import Trade Price (ITP) of Cold Rolled and Galvanized coils. Your Company has lodged a protest against the reduction of ITP and asked for a review. In addition your Company has also approached the FBR to remove anomalies in Imports of Steel. We are expecting some relief.

There has been a downward movement in the international market in steel prices. This will ease some pressure on the margins in the long term. All the plants are operating satisfactorily. We are glad to report that the cold rolling mill is operating at $80 \%$ of the capacity and the galvanizing plant is operating at $84 \%$ of the capacity. Equipment for increase in annealing facility is expected by the end of the month. The erection and installation is expected to be completed by the end of December 2012. The enhanced capacity will enable us to cater the increasing demand for cold rolled coils in the country.

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

Karachi:
Dated: 15 October 2012

For \& behalf of International Steels Limited


## Kemal Shoaib

Chairman

## 04 ィ FIRST QUARTER 30 SEPTEMBER 2012

## Condensed Interim Balance Sheet (Un-audited)

As at 30th September 2012

## ASSETS

Non-Current Assets
Property, plant and equipment
Intangible assets
Long term advances and deposits
Total Non-Current Assets

## Current Assets

Stores and Spares
Stock-in-trade
Receivable from Karachi Electric Supply Company Limited
Unsecured considered good
Trade debts
Advances
Trade deposits and short term prepayments
Other receivables - sales tax receivable
Taxation - net
Cash and bank balances
Total Current Assets
TOTAL ASSETS
EQUITY AND LIABILITIES
Share capital and reserves
Authorised capital
500,000,000 (30 June 2012: 500,000,000)
ordinary shares of Rs. 10 each
Issued, subscribed and paid up capital
$435,000,000$ ordinary shares of Rs. 10 each
Accumulated losses
Total Shareholders' Equity

## LIABILITIES

Non-Current Liabilities
Long term finances
Deferred taxation-net
Total Non-Current Liabilities

## Current Liabilities

Trade and other payables
Short-term borrowings
Current portion of long term finances
Accrued markup
Total Current Liabilities
Contingency and commitments

## TOTAL EQUITY AND LIABILITIES

The annexed notes 1 to 22 form an integral part of these financial statements


Tariq Iqbal Khan
Director \& Chairman
Board Audit Committee


Liaquat Ali Tejani
Chief Financial Officer



Towfiq H. Chinoy Managing Director \& Chief Executive

## INTERNATIONAL STEELS LIMITED > 05

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

For the First Quarter ended 30th September 2012

$\qquad$
(Loss) / Earning per share - basic and diluted
(0.03) (0.21)

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

For the First Quarter ended 30th September 2012
$\qquad$

Profit / (loss) for the quarter ended 30th September 2012
Other comprehensive income / (loss)
Total comprehensive income / (loss)

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


Tariq Iqbal Khan Director \& Chairman Board Audit Committee


Liaquat Ali Tejani
Chief Financial Officer


Towfiq H. Chino
Managing Director \& Chief Executive

## 06 FIRST QUARTER 30 SEPTEMBER 2012

## Condensed Interim Cash Flow Statement (Un-audited) <br> For the First Quarter ended 30th September 2012

## Cash Flows From Operating Activities

Profit / (loss) before taxation
Adjustments for:
Depreciation and amortization
(Gain)/Loss on sale of property, plant and equipment
Short term compensated absences
Financial charges

## Working Capital Changes

(Increase) / decrease in current assets:
Stores and spares
Stock-in-rrade
Receivable from Karachi Electric Supply Company Limited
Trade debt and advances
Deposits and pre-payments
Other receivable
Increase / (decrease) in current Liabilities:
Trade and Other payables
Working capital changes-net
Net cash from / (used in) operations
Financial charges paid
Payment of compensated absences
Taxes paid

## Net cash from / (used in) operating activities

Cash Flows From Investing Activities
Capital expenditure incurred
Proceeds from sale of property, plant and equipment
Net cash from / (used in) investing activities
Cash Flows From Financing Activities
(Repayment) / Proceeds from long term finances - net off
Net cash (used in) / from financing activities
Net increase / (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of the period
Cash and cash equivalents at end of the period
Cash and cash equivalents comprises
Cash and bank balances
Short-term borrowings

\begin{tabular}{|c|c|}
\hline 30 September
2012 \& $$
\begin{aligned}
& 30 \text { September } \\
& 2011
\end{aligned}
$$ <br>
\hline \multicolumn{2}{|l|}{--.-.-.---- (Rupees `000) -...-...--} <br>
\hline $(10,946)$ \& $(92,016)$ <br>

\hline | 103,974 $(1,356)$ 690 |
| :--- |
| 268,123 | \& \[

$$
\begin{array}{r}
90,601 \\
(144) \\
600 \\
192,691 \\
\hline
\end{array}
$$
\] <br>

\hline 371,431 \& 283,748 <br>

\hline \[
$$
\begin{array}{r}
25,572 \\
419,361 \\
10,128 \\
69,237 \\
(6,212) \\
70,418 \\
\hline
\end{array}
$$

\] \& | $(55,659)$ |
| ---: |
| $(1,379,511)$ |
| $(66,926)$ |
| $(22,239)$ |
| $(9,777)$ |
| $(23,729)$ |
| $1,57,24)$ | <br>

\hline 678,504 \& $(1,557,241)$ <br>
\hline $(157,526)$ \& 244,262 <br>
\hline 520,978 \& (1,312,979) <br>
\hline 881,462 \& $(1,121,247)$ <br>

\hline $$
\begin{array}{r}
(254,011) \\
(290) \\
21,404
\end{array}
$$ \& $(188,579)$

$(144,085)$ <br>
\hline $(232,896)$ \& (332,664) <br>
\hline 648,566 \& (1,453,911) <br>

\hline $$
\begin{array}{r}
(200,747) \\
3,233
\end{array}
$$ \& $(71,485)$

429 <br>
\hline $(197,514)$ \& $(71,056)$ <br>
\hline 59,030 \& 6,134 <br>
\hline 59,030 \& 6,134 <br>
\hline 510,082 \& (1,518,833) <br>
\hline $(6,443,865)$ \& $(4,795,804)$ <br>
\hline $(5,933,783)$ \& $(6,314,637)$ <br>

\hline $$
\begin{array}{r}
8,707 \\
(5,942,490) \\
\hline
\end{array}
$$ \& \[

$$
\begin{gathered}
3,763 \\
(6,318,400) \\
\hline
\end{gathered}
$$
\] <br>

\hline $(5,933,783)$ \& $(6,314,637)$ <br>
\hline
\end{tabular}

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


Tariq Iqbal Khan Director \& Chairman Board Audit Committee


Liaquat Ali Tejani
Chief Financial Officer


Towfiq H. Chinoy Managing Director \& Chief Executive

## INTERNATIONAL STEELS LIMITED >07

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

For the First Quarter ended 30th September 2012


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


Tariq Iqbal Khan Director \& Chairman Board Audit Committee


Liaquat Ali Tejani
Chief Financial Officer


Towfiq H. Chino
Managing Director \& Chief Executive

## 08 FIRST QUARTER 30 SEPTEMBER 2012

## Notes to the Condensed Interim Financial Statements (Un-audited) For the First Quarter ended 30th September 2012

## 1. STATUS AND NATURE OF BUSINESS

International Steels Limited ("the Company") was incorporated on September 03, 2007 as a public unlisted Company limited by shares under the Companies Ordinance, 1984 and is domiciled in the province of Sindh. The Company was listed on the Karachi Stock Exchange in Pakistan on 01 June 2011 as a result of divestment of shares by IIL. The primary activities of the Company are business of manufacturing of cold rolled steel coils and galvanized sheets. The Company commenced commercial operations on 01 January 2011. The Company is a subsidiary of IIL. The registered office of the Company is situated at 101, Beaumont Plaza, 10 Beaumont Road, Karachi -75530.
2. BASIS OF PREPARATION

### 2.1 Statement of compliance

2.1.1 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 2012.
2.1.2 These condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand except otherwise stated.

### 2.2 Estimates, judgments and financial risk management

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual result may differ from these estimates.

In preparing these condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2012.
3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Notes to the Condensed Interim Financial Statements (Un-audited)
For the First Quarter ended 30th September 2012

## 4. PROPERTY, PLANT AND EQUIPMENT



Cost
Opening balance
Addition / deletion - net

| 9,191,284 | 365,371 | 9,556,655 |
| :---: | :---: | :---: |
| 110,929 | 85,783 | 196,712 |
| 9,302,213 | 451,154 | 9,753,367 |

Accumulated depreciation
Opening balance
For the period / disposal

Written down value

| 658,608 <br> 100,479 | - <br> - <br> 759,087 <br> $8,543,126$ |
| :---: | :---: |

## 5. STOCK IN TRADE

Raw material - in hand
Raw material - in transit
Work-in-process
Finished goods
Scrap material
6. TRADE DEBTS

Considered good - secured
Considered good - unsecured

6.1 These are secured by way of Letters of credit and post dated cheques.
7. ADVANCES

Advances considered good

- suppliers
- service providers
- employees

|  | $\begin{aligned} & \text { (Unaudited) } \\ & 30 \text { September } \\ & 2012 \end{aligned}$ | $\begin{aligned} & \text { (Audited) } \\ & 30 \text { June } \\ & 2012 \end{aligned}$ |
| :---: | :---: | :---: |
|  | ---------- (Rupees | 00) ---------- |
|  | 3,171,150 | 2,495,907 |
|  | 68,674 | 1,656,394 |
|  | 297,608 | 306,185 |
|  | 1,299,289 | 752,307 |
|  | 17,686 | 62,974 |
|  | 4,854,406 | 5,273,767 |
| 6.1 | 187,899 | 267,119 |
|  | 5,399 | 20,379 |
|  | 193,298 | 287,498 |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  | 41,616 | 15,260 |
|  | 227 | 3,172 |
|  | 1,812 | 260 |
|  | 43,655 | 18,692 |

## 10 FIRST QUARTER 30 SEPTEMBER 2012

## Notes to the Condensed Interim Financial Statements (Un-audited) <br> For the First Quarter ended 30th September 2012

## 8. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits
Short term prepayments
Others

9. LONG TERM FINANCES - Secured

Syndicated Term Financing under LTFF Scheme
Faysal Bank Limited

Current maturity of long term finances

|  | (Unaudited) 30 September 2012 | (Audited) 30 June 2012 |
| :---: | :---: | :---: |
|  | ---------- (Rupee | 00) ---------- |
|  | $\begin{array}{r} 3,406 \\ 14,129 \\ 11 \end{array}$ | $\begin{aligned} & 2,987 \\ & 8,347 \end{aligned}$ |
|  | 17,546 | 11,334 |
| 9.19.2 | 3,678,789 | 3,768,391 |
|  | 865,899 | 717,267 |
|  | $\begin{gathered} 4,544,688 \\ (574,149) \end{gathered}$ | $\begin{gathered} 4,485,658 \\ (638,775) \end{gathered}$ |
|  | 3,970,539 | 3,846,883 |

9.1 The syndicated term financing is obtained for plant and machinery of Cold Rolling Mills and Galvanising Plant and is secured by way of mortgage of land located at Survey No. 399-404, Landhi Town, Karachi and joint hypothecation of all present and future fixed assets (excluding Land and Building), as per the terms of syndicated term financing agreement. The syndicated term financing is repayable in half yearly installments. The rate of markup on these finance is $1.5 \%$ over SBP refinance rate (30 June 2012: 1.5\% over SBP refinance rate).
9.2 The Long term finance is obtained from Faysal bank limited for plant and machinery and is secured by way of first pari passu charge over fixed assets of the Company. The Long term finance is repayable in half yearly installments. The rate of markup is $1.8 \%$ over 6 months KIBOR ( 30 June 2012: 1.8\% over 6 months KIBOR).

| (Unaudited) | (Audited) |
| :---: | :---: |
| 30, September | 30,June |
| 2012 | $\mathbf{2 0 1 2}$ |
| ---------- (Rupees `000) | --------- |

10. TRADE AND OTHER PAYABLES

Trade creditors

| 73,402 | 71,716 |  |
| ---: | ---: | ---: |
| - | 207,840 |  |
| 70,939 | 38,752 |  |
| 72,000 | 55,000 |  |
| 932 | 811 |  |
| 23,934 | 19,651 |  |
| 10,068 | 9,668 |  |
| 52,480 | 54,087 |  |
| 3,746 | 10,000 |  |
| 1,229 | - |  |
| 1,761 | - |  |
| 513 |  | 605 |
| 311,004 |  | 468,130 |

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the First Quarter ended 30th September 2012

## 11. SHORT TERM BORROWINGS - secured

Running finance under mark-up arrangement
Running finance under FE-25 import scheme
Running finance under Export Refinance Scheme

| (Unaudited) 30 September 2012 | $\begin{gathered} \text { (Audited) } \\ 30 \text { June } \\ 2012 \end{gathered}$ |
| :---: | :---: |
| ---------- (Rupees `000) --------- |  |
| 3,922,942 | 4,507,805 |
| 1,209,755 | 1,371,262 |
| - | 108,755 |
| 809,793 | 460,000 |
| 5,942,490 | 6,447,822 |

11.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from KIBOR $+0.5 \%$ to KIBOR $+1.75 \%$ per annum (2012: $\mathrm{KIBOR}+0.50 \%$ to $\mathrm{KIBOR}+1.75 \%$ per annum). These facilities mature within twelve months and are renewable.
11.2 The facilities for short term running finance under Foreign Exchange Circular No. 25 dated 20 June 1998 available from various commercial banks are for the purpose of meeting import requirements. The facilities availed is for an amount of USD 12.74 million equivalent to Rs. $1,209.75$ million ( 2012 : USD 14.47 million equivalent to Rs. $1,371.26$ million). The rates of mark-up on these finances range from $2.05 \%$ to $2.45 \%(2012: 2.05 \%$ to $2.65 \%)$ per annum. The facilities mature within six months and are renewable.
11.3 The Company had borrowed short term running finance under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. This facility was available as a sub limit of short term finance facility. The facility availed is for an amount of Rs. Nil (2012: Rs. 108.755 million). The rate of markup on this facility is Nil per annum (2012: 10.65\%). This facility matures within six months and was renewable.
11.4 The Company has obtained facilities for short term finance under Murabaha and Istisna from Islamic banks. The rate of profit is KIBOR $+0.85 \%$ to KIBOR $+1 \%$. This facility matures within six months and is renewable.
11.5 As at 30 September 2012, the unavailed facilities from the above borrowings amounted to Rs. 2.195 million.
11.6 The above facilities are secured by way of joint and first pari passu charges over assets of the Company.
12. CONTINGENCY AND COMMITMENTS
12.1 Contingency
12.1.1 Bank guarantees have been issued to Sui Southern Gas Company Limited and Excise and Taxation Officer aggregating Rs. 237.7 million (2012: Rs. 211.7 million)

### 12.2 Commitments

12.2.1 Capital expenditure commitments outstanding as at 30 September 2012 amounted to Rs. 288.79 million (30June 2012: Rs. 307.63 million).
12.2.2 Commitments under letter of credit for raw materials and spares as at 30 September 2012 amounted to Rs. 2,308.25 million (30 June 2012: Rs.2,721.35 million).
12.2.3 The unavailed facilities for opening letters of credit and guarantees from banks as at 30 September 2012 amounted to Rs. $4,352.96$ million ( 30 June 2012: Rs. $3,845.56$ million) and Rs. 312.3 million ( 30 June 2012: Rs. 338.30 million).

## 12 • FIRST QUARTER 30 SEPTEMBER 2012

Notes to the Condensed Interim Financial Statements (Un-audited)
For the First Quarter ended 30th September 2012

13 NET SALES
Local
Export

Sales tax
Trade discount
Sales commission

## 14 COST OF SALES

Opening stock of raw material and work-in-process
Purchases
Salaries, wages and benefits
Electricity, gas and water
Insurance
Security and janitorial
Depreciation
Stores and spares consumed
Repairs and maintenance
Postage, telephone and stationery
Vehicle, travel and conveyance
Internal material handling
Environment controlling expense
Computer stationery and software
Sundries
Recovery from sale of scrap

Closing stock of raw material and work-in-process
Cost of goods manufactured
Finished goods:
Opening stock
Closing stock

Quarter ended

| 30 September 2012 | 30 September 2011 |
| :---: | :---: |
| ---------- (Rupees `000) -----.---. |  |
| 3,453,250 | 3,548,801 |
| 288,235 | 161,384 |
| 3,741,485 | 3,710,185 |
| $\begin{array}{r} 476,368 \\ 683 \\ 35,645 \end{array}$ | 590,137 2,106 21,671 |
| 512,697 | 613,914 |
| 3,228,788 | 3,096,271 |

| 2,802,092 | 3,101,741 |
| :---: | :---: |
| 3,880,103 | 4,178,778 |
| 55,811 | 47,476 |
| 75,623 | 63,202 |
| 4,945 | 4,731 |
| 2,849 | 1,812 |
| 86,418 | 82,648 |
| 13,479 | 15,028 |
| 14,888 | 14,468 |
| 1,071 | 733 |
| 2,468 | 2,147 |
| 1,994 | 449 |
| 423 | 496 |
| 1,357 | 410 |
| 579 | 4,630 |
| 1,558 | $(146,684)$ |
| $\begin{gathered} 6,945,658 \\ (3,468,758) \end{gathered}$ | $\begin{gathered} 7,372,066 \\ (4,426,060) \end{gathered}$ |
| 3,476,900 | 2,946,006 |
| $\begin{gathered} 752,307 \\ (1,299,289) \end{gathered}$ | $\begin{gathered} 632,880 \\ (682,993) \\ \hline \end{gathered}$ |
| $(546,981)$ | $(50,113)$ |
| 2,929,919 | 2,895,893 |

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the First Quarter ended 30th September 2012

15 ADMINISTRATIVE EXPENSES
Salaries, wages and benefits
Rent, rates and taxes
Electricity, gas and water
Insurance
Depreciation
Repairs and maintenance
Security and Janitorial expenses
Printing and stationery
Office supplies
Postage and communication
Vehicle, travel \& conveyance
Legal and professional charges
Registration, stamps and license fee Others

| Quarter ended |  |
| :---: | :---: |
| $\begin{gathered} 30 \text { September } \\ 2012 \end{gathered}$ | $30 \text { September }$ $2011$ |
| --------.- (Rupees `000) --..---.-- |  |
| 20,011 | 9,931 |
| 1,099 | 898 |
| 436 | 664 |
| 160 | 41 |
| 1,023 | 59 |
| 10 | - |
| - | 25 |
| 331 | 33 |
| 1 | 2 |
| 96 | 70 |
| 1,200 | 409 |
| 3,042 | 659 |
| 84 | 59 |
| 602 | 590 |
| 28,094 | 13,440 |

## 16 SELLING EXPENSES

Salaries, wages and benefits
Rent, rates and taxes
Electricity, gas and water
Insurance
Depreciation
Computer and office supplies
Postage and communication
Vehicle, travel \& conveyance
Advertising and sales promotion
Repairs and maintenance
Printing and stationery
Freight and Forwarding
Others

| 8,956 | 9,527 |  |
| ---: | ---: | ---: |
| 1,223 | 917 |  |
| 193 | 362 |  |
| 99 | 42 |  |
| 568 | 30 |  |
| 9 | 18 |  |
| 136 | 121 |  |
| 642 | 641 |  |
| 920 | 1,315 |  |
| 3 | - |  |
| 23 | - |  |
| 8,143 |  | 164 |
| 314 |  | 13,136 |
| 21,229 |  |  |

17 FINANCIAL CHARGES
Mark-up on:

- Long term financing
- Short term borrowings

Bank charges

| $\begin{aligned} & 109,617 \\ & 156,503 \end{aligned}$ | $\begin{array}{r} 113,372 \\ 78,230 \end{array}$ |
| :---: | :---: |
| 266,120 | 191,602 |
| 2,003 | 1,089 |
| 268,123 | 192,691 |

## 14 〔 FIRST QUARTER 30 SEPTEMBER 2012

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the First Quarter ended 30th September 2012

## 18 OTHER OPERATING CHARGES

Auditors' remuneration
Donations
Provision for government levies
Exchange loss - net

## 19 OTHER OPERATING INCOME

Income from non-financial assets
Income from power generation
Gain on sale of property, plant and equipment
Rent income
Others

Income from financial asset
Interest on Bank Deposits
19.1 INCOME FROM POWER GENERATION

Net sales
Cost of electricity produced
Net income from power generation

| Quarter ended |  |
| :---: | :---: |
| $\begin{aligned} & 30 \text { September } \\ & 2012 \end{aligned}$ | $\begin{aligned} & 30 \text { September } \\ & 2011 \end{aligned}$ |
| ---------- (Rupees `000) ---------- |  |
| 360 | 360 |
| - | 50 |
| 121 | - |
| 2,958 | 89,687 |
| 3,439 | 90,097 |
| 7,693 | 15,909 |
| 1,356 | 144 |
| 435 | 397 |
| 1,477 | 520 |
| 10,961 | 16,970 |
| 109 | - |
| 11,070 | 16,970 |
| $\begin{gathered} 119,226 \\ (111,533) \end{gathered}$ | $\begin{aligned} & 126,660 \\ & (110,751) \end{aligned}$ |
| 7,693 | 15,909 |

## 20 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise IIL, associated undertakings, directors of the Company, key management employees and staff retirement funds. The Company continues to have a policy whereby transactions with related parties undertakings are entered into at commercial / agreed terms and conditions. Contribution to defined contribution plan (provident fund) are made as per terms of employment and contributions to the defined benefit plan (gratuity scheme) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of entitlements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial information are as follows:

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## Notes to the Condensed Interim Financial Statements (Un-audited)

For the First Quarter ended 30th September 2012

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 15 October 2012.
22. GENERAL
22.1 Figures have been rounded off to the nearest thousand rupees.


Tariq Iqbal Khan Director \& Chairman Board Audit Committee


Liaquat Ali Tejani
Chief Financial Officer


Towfiq H. Chino Managing Director \& Chief Executive

