



Shaping Tomorrow

WORKING TOGETHER

FOR A
BETTER FUTURE

ANNUAL REPORT 2022





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/International Steels Limited





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CORPORATE PROFILE



CORPORATE PROFILE

International Steels Limited "ISL" is the largest Flat Steel manufacturer in Pakistan. The company was incorporated in 2007 and commenced production in 2010. To date, the company has invested approximated US\$ 300 million in establishing a state-of-the-art flat steel complex.

ISL's manufacturing facilities are located on a 32 acre piece of land in the Port City of Karachi, where the company produces Cold Rolled Steel, Galvanized Steel and Color Coated Steel for numerous industrial and commercial applications. The company has also established a Service Center on a 15 acre land in order to provide value added products to its customers. ISL has a strong nationwide supplier network that is served through regional offices in Lahore, Islamabad and Multan. ISL exports its products to more than 30 countries worldwide.

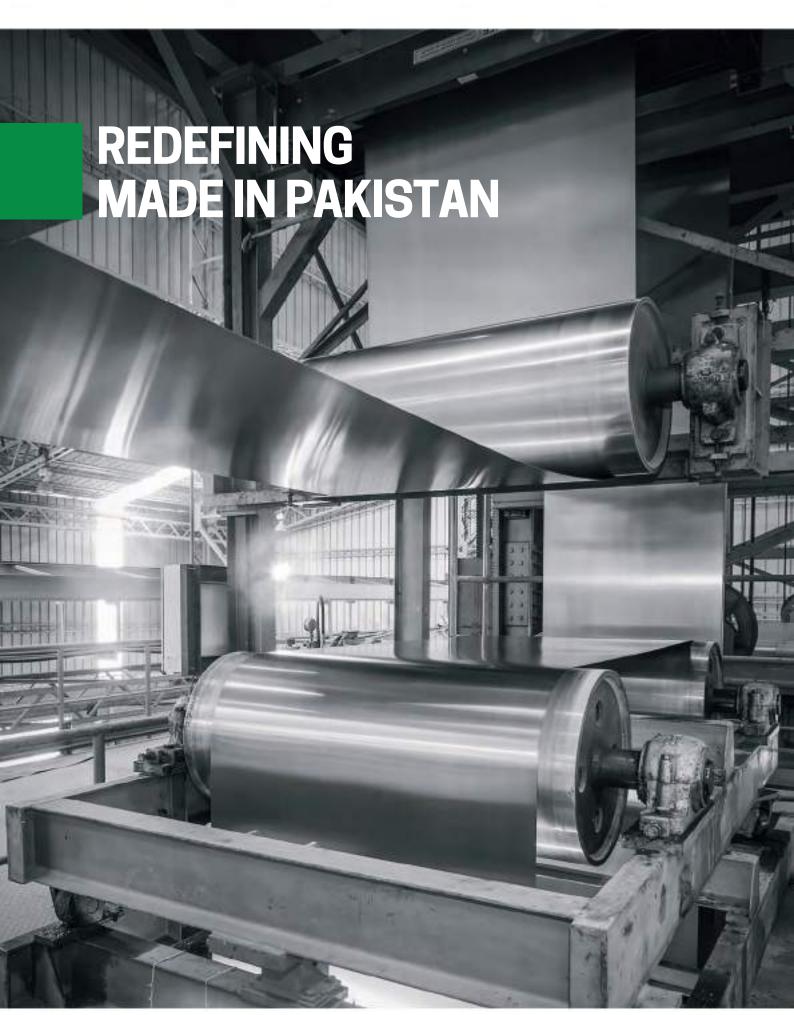
In its short history, ISL has carried out extensive large scale expansion activities to enhance production. With the recent expansion, the company now has a capacity of over 1,000,000 Metric Tons.

The company has played an important role in developing the large scale industrial manufacturing sector of Pakistan. ISL's high quality steel serves as an essential input for various upstream and downstream industries of the country. Through consistently expanding its manufacturing capacity, the company has substituted a significant portion of Pakistan's flat steel imports, resulting in a significant foreign exchange saving for the country.

ISL believes in sustainability of operations and aims to maintain good relationship with all its stakeholders. Driven by the Clean, Lean and Green approach, the company strives to continuously reduce its carbon footprint, promote effective utilization of resources, reduce waste and promote green practices through recycling and reusing resources.

The company partakes various social initiatives to promote wellbeing and welfare of the society, especially in the segments that are most challenged. ISL is a frequent supporter of various health care and educational initiatives in the country.





Driven by a vision to promote

industrial development in Pakistan

Since its inception, International Steels Limited has been driven by its vision to promote industrial development in Pakistan. At ISL, Innovation and responsibility have been at the core of building a sustainable enterprise and exploring possibilities towards creating a better future with sustainability and resilience.

From investing in state-of-the-art technology to redefining what it is to be "Made in Pakistan", ISL has been determined to transform the industrial landscape of the country and at the same time, remain conscious of the society at large. Our products are fully compliant with the national and global standards of steel-making. As the largest manufacturer and exporter of flat steel products in Pakistan, we deploy the best available technology to deliver quality, reliability and availability to provide sustenance to thousands of small and large-sized businesses across Pakistan.

Our resolve is steel - the material for the future and the fabric that shapes a better tomorrow!

INVESTMENT TO DATE



PRODUCTION CAPACITY

1,000,000METRIC TONS

PRODUCTION FACILITIES ON



EXPORTING TO OVER



Production Capability







Original Equity Contributors











Chairman (Independent)

Dr. Amjad Waheed

Independent Directors

Mr. Babar Badat Ms. Nausheen Ahmad Mr. Nihal Cassim

Non-Executive Directors

Mr. Fuad Azim Hashimi Mr. Haroun Rashid Mr. Kamal A. Chinoy Mr. Mustapha A. Chinoy Mr. Shuji Tsubota

Director and Chief Executive Officer

Mr. Yousuf H. Mirza

Director and Chief Operating Officer

Mr. Samir M. Chinoy

Chief Financial Officer

Mr. Mujtaba Hussain

Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

Chief Internal Auditor

Mrs. Asema Tapal

External Auditors

A. F. Ferguson & Co., Chartered Accountants

Legal Advisor(s)

Mrs. Sana Shaikh Fikree

Investor Relations Contact

Shares Registrar

THK Associates (Pvt.) Ltd

Plot No. 32-C, Jami Commercial Street 2 D.H.A., Phase VII, Karachi - 75500.

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Website

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Bankers

Allied Bank Limited Bank Al Habib Limited Bank Alfalah Limited

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank of China Limited

MCB Bank Limited

MCB Islamic Bank Limited Meezan Bank Limited National Bank of Pakistan Samba Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

ABOUT THE GROUP



Amir S. Chinoy Group



The Amir S. Chinoy Group (ASC Group) has been at the forefront of Pakistan's industrial development since the founding of the country 75 years ago. Our founder, Mr. Amir S. Chinoy, a pioneer of industrialization in Pakistan, laid the foundation of the ASC Group by setting up manufacturing concerns in heavy chemicals (Pak Chemicals Ltd,1951), steel, and galvanized pipes (International Industries Limited, 1948) and electrical wires and cables (Pakistan Cables Limited, 1953). His commercial interests also extended to trading, electrical contracting, and the representation of major European and international companies in South Asia. As flag bearers of determination and innovation, the group later invested in a green field project for the manufacture of Cold Rolled, Galvanized and Colour Coated steel coils and sheet (International Steels Limited, 2007).

Today, the ASC Group is one of the leading industrial groups in Pakistan with proven expertise in manufacturing, trading, and industrial services. The Group companies enjoy a credible export pedigree with combined export revenues in excess of USD 150 million. The ASC Group growing global footprint is further represented by an on-ground presence in Australia and Canada through its wholly owned subsidiaries IIL Australia Pty. Ltd. and IIL Americans Inc. which collectively contribute USD 50 million in export revenues.

In Pakistan, the ASC Group has an extensive distribution network through 1600+ outlets in over 450 cities and towns across the country.

The broad range of products manufactured by the Group companies includes:

- Cold rolled steel
- Galvanized steel
- Colour coated steel
- Steel Pipes (CR, HR, Galvanized, Stainless Steel)
- Polymer Pipes (UPVC, PPRC, PE)
- Hollow Structural Sections (Steel)
- Scaffolding systems and Formwork

- Electric Wires & Cables (LV & MV)
- Electric Overhead Conductors of Aluminium & Copper
- Special Cables
- PVC Compound
- Copper rod
- Wiring Accessories
- Extruded Aluminium Sections for Architectural applications

ASC Group companies have attached international equity partners of repute, which have further enriched technical expertise and best practices across its companies. The leading equity partners, the ASC Group has been associated with, include:

- British Insulated Callender's Cable (BICC), UK
- General Cables, USA
- JFE Steel Corporation, Japan
- Sumitomo Corporation, Japan
- International Finance Corporation (IFC)

GROUP HIGHLIGHTS



150PKR in Billion
Sales Turnover
(USD 844 Mn.)





PKR in Billion Market Capitalisation (USD 215 Mn.)



2,549 Number of Employees



30.6

PKR in Billion Contribution to National Exchequer (USD 172 Mn.)



Number of
Export Destinations
(including USA, Canada, Europe)



PKR in Billion Export Sales (USD 169 Mn.)



1,670Number of Dealers and Distributors



(Metric Tons) Total Metals

Produced



450
Geographical Footprint
in Pakistan
(Cities and Towns)

Amir S. Chinoy Group





ASC Group Participated in Project Qatar Expo, Doha



Group Companies Employees at the Annual MAP Convention 2022



PCL Management Team Visit at ISL Factory and Service Centre

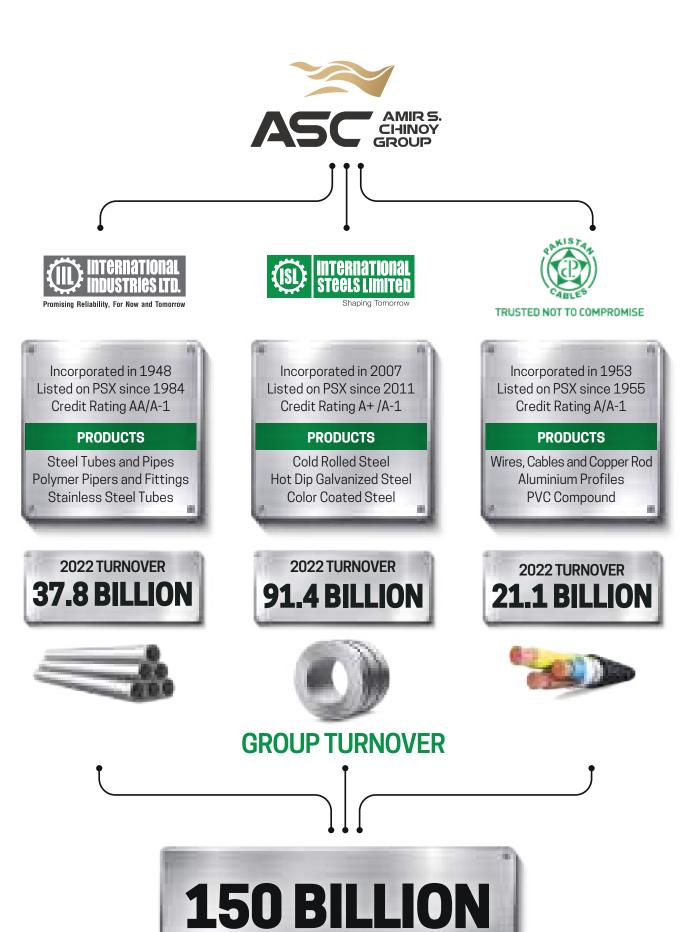


Group Companies Management Team Visit at the PCL Urban Forest, Nooriabad



ASC Group Cricket Team at the Last Man Stands Cricket Tournament







2007

- Incorporated in September.
- Installation of 19 Mega Watt Power Generation Plant.

2008-2009

Civil works and plant installation in process.

2010

Cold Rolling and Galvanizing complex is commissioned.

2011

Commercial operations of Cold Rolling and Galvanizing complex commence:

- Installed capacity 250,000 MT
- ISL gets listed on Pakistan Stock Exchange.
- Certifications acquired:

ISO 9001 (Quality Management System)

ISO 14001 (Environmental Management)

ISO 18001 (Occupational Health and Safety Management Systems)

2012

Commercial operations of Cold Rolling and Galvanizing Complex commence with an installed capacity of 250,000 MT.

2013

- Production exceeds 166.000 MT.
- Sales exceed 161,000 MT.
- Net turnover exceeds PKR 13 Billion.

2014

- Production exceeds 220,000 MT.
- Sales exceed 217,000 MT.
- Net turnover exceeds PKR 17 Billion.

2015

- Production exceeds 280,000 MT.
- Sales exceed 257,000 MT.
- Net turnover exceeds PKR 21 Billion.

2016

Galvanizing Plant-2 is commissioned and starts commercial production:

- Galvanizing capacity increases to 450,000 MT from 150,000 MT.
- Pakistan's first Color Coating line is established at ISL with the capacity 84,000 MT.
- A new electrolysis plant is installed to produce Hydrogen.
- A Second strand on the 4-Hi Reversing Mill is commissioned, converting it into a Continuous Compact Mill "CCM".
- Production exceeds 238,000 MT.
- Sales volume exceeds 239,000 MT.
- Net turnover exceeds PKR 17.5 Billion.

2017

- Commercial production of the enhanced 4-Hi Continuous Compact Mill commences.
- Cold Rolled capacity increases to 500,000 MT from 250,000 MT.
- Production exceeds 370,000 MT.
- Sales volume exceeds 364,000 MT.
- Net turnover exceeds PKR 20 Billion.

2018

- Debottlenecking of Push Pull Pickling Line.
- Pickling capacity enhances to 600,000 MT from 500,000 MT.
- Successful commissioning of additional annealing capacity.
- \bullet Annealing capacity enhances to 200,000 MT from 160,000 MT.
- Second Continuous Compact Mill "CCM-2" is commissioned.
- SNI certification of Indonesia is acquired.
- Production exceeds 465,000 MT.
- Sales volume exceeds 490,000 MT.
- Net turnover exceeds PKR 33 Billion.

2019

Continuous Compact Mill "CCM-2" commences commercial production:

- Cold Rolling capacity increases to 1,000,000 MT from 500,000 MT. Annealing capacity is enhanced:
- Annealing capacity increases to 360,000 MT from 300,000 MT.

 A New continuous picking line is commissioned and starts commercial production:
- Capacity of new continuous picking line becomes 1,000,000 MT.
- Production exceeds 470,000 MT.
- Sales volume exceeds 539,000 MT.
- Sales value exceeds PKR 47 Billion.
- ISL wins Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Export Award 2017 in the steel category.
- Pakistan Stock Exchange's status at Morgan Stanley Composite Index (MSCI) is upgraded to "Emerging Market" and ISL is listed in it.
- ISL wins Management Association of Pakistan (MAP) Corporate Excellence Award 2019.
- JCR-VIS credit rating company awards ISL, the credit rating of "A+/A-1".

2020

- ISL Service Center commences operations. The state-of-the-art service center is envisioned to provide value-added services to the customers
- ISL bags 1st award at the "7th Employer of the year award" in the Medium National Category.
- ISL received 43rd FPCCI Best Export Performance Awards 2018-19.
- International Steels Limited (ISL) wins the prestigious Top 25
 Performing Companies award by the Pakistan Stock exchange.
- ISL wins Management Association of Pakistan (MAP) Corporate Excellence Award 2020 for the second consecutive year.

2021

- ISL receives "Employers Federation of Pakistan's (EFP) Exporters Recognition Award", being acknowledged among the Top 45 largest exporters of Pakistan.
- ISL wins the "8th Employer of the Year Award" for the year 2019-2020.
- ISL wins three CSR Awards at the NFEH's (National Forum for Environment and Health) 13th Corporate Social Responsibility Summit 2021 in the categories of:
- Education and Scholarships
- Community Development and Services Waste Management
- Recycling
- ISL secures 2nd position in the Asian Management Games 2021.

2022

- Electrolytic Cleaning Line is commissioned at ISL. This new addition will improve the surface quality of our products specifically for the automotive and appliances sectors by cleaning the remaining rolling emulsion and iron fines.
- ISL was one of the sponsors of the Pakistan Pavilion at the internationally acclaimed, Dubai Expo 2021, hosted by Dubai, in the United Arab Emirates, from October 2021 to March 2022.
- ISL sponsored TEDx IBA powered by AIESEC in October 2021.
- ISL participated in the 2nd Pakistan, Africa Trade Development Conference, Nigeria facilitated by TDAP.
- For the second time, ISL won three awards in the categories of Education and Scholarship, Community Development, Sports and Recreational Activities, at the 14th CSR Awards organized by the National Forum for Environment and Health (NFEH) in March 2022.
- In March 2022, ISL participated in the Management Association of Pakistan's 22nd MAP Convention, under the banner of ASC Group.
- In June 2022, International Steels Limited participated in Project Qatar in Doha, meeting potential partners from across Qatar and from other countries.
- ISL exhibited in HVACR Expo, Lahore, in June 2022, which is the largest dedicated HVACR trade exhibition in Pakistan. In the same month, the company participated in IAPEX Building Materials Exhibition at Expo Center, Karachi. This expo attract and target architects, builders and contractors, from all over Pakistan.
- ISL secures 3rd position in the Asian Management Games 2022.





To be the premium manufacturer of Flat Steel Products in Pakistan.



To establish our presence in the steel industry by providing superior quality products and reliable services, catering to the customers' needs, at competitive prices, while delivering value and fostering close partnerships. We take pride in providing an environment that cultivates teamwork and leadership capabilities to manage our company as a model corporate citizen, complying with the highest standards of business ethics.



We share core set of values which incorporate:

Integrity:

We are committed to maintain highest ethical standards and ensure a culture of trust and openness internally as well as externally.

Diversity:

We are an equal opportunity employer with zero bias against gender, race, ethnicity and religion and encourage openness, expression of opinions etc.

Respect for People:

We are committed to foster a culture where people come first and we hire, develop and retain our people to work as synergized teams in line with our mission and vision.

Fairness:

We are committed to implement such policies and procedures which translate into fair and equitable treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.

STRATEGIC OBJECTIVES



We are committed to continually enhance the effectiveness of our quality, environment, occupational health and safety management systems.

We aim at creating fair value for the stakeholders in these areas:



We are committed to continually enhance the effectiveness of our quality, environment, occupational health and safety management systems. We aim at creating fair value for the stakeholders through team work, continual improvement in technology, waste reduction, protection of environment, care for health, safety of people and equipment and improvement in safety practices.



The company attributes its success to its human capital and its quality. It strives to attract, develop and retain the best talent available, providing career growth opportunities through a system of skill development, motivation and rewards. Aspiring to be an "Employer of Choice", we are committed to providing a safe, collaborative and high performance workplace to our employees.



ISL aims to become a technology driven company, one that fulfils its commitment to its customers by effectively anticipating customers' requirements. The company strives to exceed expectations by utilizing and continuously enhancing its technical capabilities and service levels.



The company makes considerable efforts to reducing waste, thereby promoting efficient utilization of resources and lowering waste levels, ultimately promoting efficiency throughout the value chain.



ISL regards sustainability of its operations as a key responsibility towards its stakeholders. ISL remains committed towards its causes of waste reduction, protection of environment, ensuring wellbeing, safety and welfare of people and incessant technological advancement.





ISL's cold rolling mill is a modern, advanced facility designed and supplied by SMS Siemag, Germany. With strict quality control processes and advanced technology, our product provides outstanding finish and workability, highly valued by customers in the automobile, home appliances, furniture, drum, tube, filter, tin plate and various other industrial segments. Cold rolled steel manufactured by ISL is available in thicknesses ranging from 0.15 mm to 3.0 mm and is offered in a maximum width of 750mm to 1,250 mm. ISL's CRC is provided in a range of product specifications, ranging from drawing to structural and surface finishes from bright to matt to meet our customer specific requirements. After the recent expansion, ISL's capacity has increased to over 1,000,000 MT.



ISL's Hot Dipped Galvanized Steel is produced on a state-of-the-art, fully automated production line. The best available raw materials and processes are applied under controlled conditions to produce material of the highest quality. Our manufacturing facility, a dynamic production team and adherence to strict quality control measures ensures a product of the highest grade. Hot dip galvanized steel is available in thicknesses ranging from $0.15 \, \text{mm} - 2.50 \, \text{mm}$. After addition of our new galvanizing line, ISL's capacity to produce galvanized steel increased to $462,000 \, \text{MT}$.



Our Continuous Color Coil Coating facility was developed using wet paint coating technology. The 84,000 MT facility allows us to produce high quality color coated sheets on various substrates like Cold Rolled, Galvanized, Galvalume, Aluminium and Stainless Steel sheets. The high quality color coating enhances the corrosion resistance substrate and adds to the aesthetic appeal. Color coated steel is available in thicknesses ranging from $0.20 \, \text{mm} - 1.50 \, \text{mm}$.



ISL Service Center

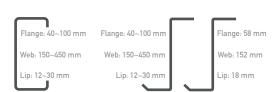
ISL Service Center shapes flat rolled steel into various forms for a wide range of industrial and commercial applications, ranging from profiles that form highly durable structures to custom-cut sheets and slitted coils that serve as ready-to-use input for various purposes.





ISL produces a broad range of structural channel sections and purlins for construction and solar related applications such as Pre-Engineered Buildings, Light Gauge Steel Structures, and Solar Mounting Structures.

Made from quality, Hi-Tensile galvanized steel, ISL Purlins are produced in the ISL manufacturing facility and can be supplied plain or punched as per the requirements of the customers. Our two different machines serve the demands of different types of clientele.



CUT TO LENGTH

Minimum Thickness : 0.15 mm

Maximum Thickness : 2.50 mm

Minimum Width (Sheet) : 400 mm

Maximum Width (Sheet) : 1,250 mm

Minimum Length (Sheet) : 300 mm

Maximum Length (Sheet) : 5,000 mm

Length Tolerance : +/- 0.039"



Sinusoidal Profiles 0.30 - 0.60 mm

Clip Lock Profiles 9.40 - 0.60 mm

Screw Down 0.30 - 0.70 mm

C Channels 0.75 - 1.15 mm









As the largest flat steel manufacturer and exporter in Pakistan, we strive to be the industry benchmark for operational excellence, value creation, corporate citizenship, and business ethics.

Through our completely integrated operations, we are determined to make Pakistan self-sufficient in high-quality flat steel. Holding this vision, the company continues to invest in its people and technology, with an unparalleled focus on innovation and cutting-edge technologies.

To date, ISL has invested over **US\$ 300 million** in developing a state-of-the-art manufacturing facility to produce premium flat steel products in Pakistan.

Starting with an initial capacity of **250,000 MT**, ISL has evolved to a **1,000,000 MT** steel complex, providing steels of various specifications that serve a wide range of industrial and commercial applications.

Besides increasing the production capacity, the company has also invested in enhancing its value proposition through a fully equipped service center, which renders steel in ready-to-use form.

Together, with our stakeholders, we are building a sustainable enterprise that's capable of standing the test of time.

Health and Safety **Statistics**



Health and Safety Statistics*



Covid Protocols and Statistics*

100% RATE OF VACCINATION IN EMPLOYEES

SANITIZERS AND MASKS WERE REGULARLY DISTRIBUTED

TEMPERATURE MONITORING OF STAFF IN ALL WORK SPACES

VIRTUAL MEETINGS CONDUCTED

ROUTINE DISINFECTION OF WORK PLACES

DISPOSABLE MATERIAL USED FOR BEVERAGES

DEVELOPMENT AND COMPLIANCE OF COVID SOPs INCLUDING SOCIAL DISTANCING AND USE OF MASKS







69 TOTAL TESTED EMPLOYEES **POSITIVE CASES** 20 **NEGATIVE CASES**

Co-creating a stronger future together with the nation



Value Creation

2011-2022

We aspire to be the steel industry benchmark for Value Creation and Corporate Citizenship.

At ISL, we put equal focus on creating value for our business and our stakeholders as well as on being a responsible corporate citizen. With ingrained principles and guided by our mission of achieving excellence; we aspire to create value for all our stakeholders through winning strategies, effective use of resources, mitigating the negative impacts of our business and having an agile business model to respond to the changes in the external environment.



CONTRIBUTION TO GOVERNMENT

OVER

PKR 96 BILLION

CONTRIBUTED TO THE NATIONAL EXCHEQUER



SUBSTITUTING IMPORTS

SAVING

\$355 MILLION

WORTH OF FOREIGN EXCHANGE OUTFLOW THROUGH LOCALIZATION



EXPORT VALUE

EARNED

\$448 MILLION

WORTH OF FOREIGN EXCHANGE BY EXPORTING FLAT STEEL



GLOBAL FOOTPRINT

EXPORTING TO OVER

30 COUNTRIES

WORLDWIDE SUPPLYING COLD ROLLED AND COATED STEEL



LEADING EXPORTER

LISTED AMONG

TOP 50

EXPORTERS OF PAKISTAN BY TRADE DEVELOPMENT AUTHORITY OF PAKISTAN (TDAP)



ENVIRONMENTAL RESPONSIBILITY

ACTICING

PRACTISING

CLEAN, LEAN & GREEN

MANUFACTURING APPROACH AND SUSTAINABLE PRACTICES



CSR CONTRIBUTION

ALLOCATING ATLEAST

1.5% PROFIT AFTER TAX

ANNUALLY FOR SOCIAL UPLIFT AND COMMUNITY UPLIFT



EMPLOYER OF CHOICE

DIAMOND CATEGORY

EMPLOYER OF THE YEAR

AT 8th EMPLOYER OF THE YEAR AWARDS ORGANIZED BY EFP PAKISTAN FY 2019-20



SKILL DEVELOPMENT

IMPARTED OVER

23,000 MAN HOURS

TO TRAIN AND DEVELOP HUMAN RESOURCES



CREDIT RATING

MAINTAINING

A+/A-1 RATING

BY VIS CREDIT RATING COMPANY LIMITED



Code of Conduct

The Code of Conduct is equally applicable to the Board of Directors as well as all the employees of the Company. The Salient features of the Code of Conduct are as follows:

(a) Business Ethics

- i) The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings, showing respect for the interest of all stakeholders including its shareholders, employees, customers, suppliers and society at large.
- ii) The Company is dedicated to providing a safe and non-discriminatory working environment for all employees.
- iii) The Company does not support any political party or contributes funds to groups whose activities promote political interests.
- iv) The Company is committed to provide products which consistently offer value in terms of price and quality and are safe for their intended use, to satisfy customer needs and expectations.
- v) The Board of Directors and the management are both committed to ensuring that the Company is a responsible corporate citizen and that business shall be carried out in a sustainable manner.
- vi) Operations shall be carried out with minimum adverse effect on the environment and producing quality products in a healthy and safe working environment.
- vii) We, as a responsible corporate citizen, shall play our part in the betterment of society in health and education sectors as a part of our Corporate Social Responsibility.

(b) Conflict of Interest

- i) Every employee should conduct his or her personal and business affairs in a manner such that neither a conflict, nor the appearance of a conflict, arises between those interests and the interests of the Company.
- ii) An employee should avoid any situation in which he or she, or a family member, might profit personally (either directly or indirectly). from the Company's facilities, its products, or relationships with its vendors or customers
- iii) An employee should not permit himself/herself (or

members of his/her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways and attendance at conferences and seminars would not be considered a violation of this Code.

- iv) In case an employee is offered or receives something of value which he/she believes may be questionable under this Code, he/she should disclose the matter.
- v) All employees shall avoid any kind of bribery, extortion and all other forms of corruption.
- vi) Conflicts of interest shall be avoided and promptly disclosed where they exist and guidance should be sought from supervisors.

(c) Accounting Records, Controls and Statements

- i) All books, records, accounts and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations and should be maintained accurately.
- ii) Employees are expected to sign only documents or records which they believe to be accurate and truthful.

(d) Environment

- i) The Company is committed to carry its business in an environmentally sound and sustainable manner and promote preservation and sustainability of the environment.
- ii) All employees are required to adhere strictly to all applicable environmental laws and regulations that impact the Company's operations.

(e) Regulatory Compliance

- i) The Company is committed to make prompt public disclosure of 'material information' regarding the company as prescribed by the Pakistan Stock Exchange Regulations, if required.
- ii) Where an employee is privy to the information which is generally referred to as 'material inside information', the same must be held in strict confidence by the employee involved until it is publicly released.

iii) The Employees shall abide by the appropriate competition laws and shall not enter into understandings, arrangements or agreements with competitors which have the effect of fixing or controlling prices, dividing and allocating markets or territories or boycotting suppliers or customers.

(f) Personal Conduct

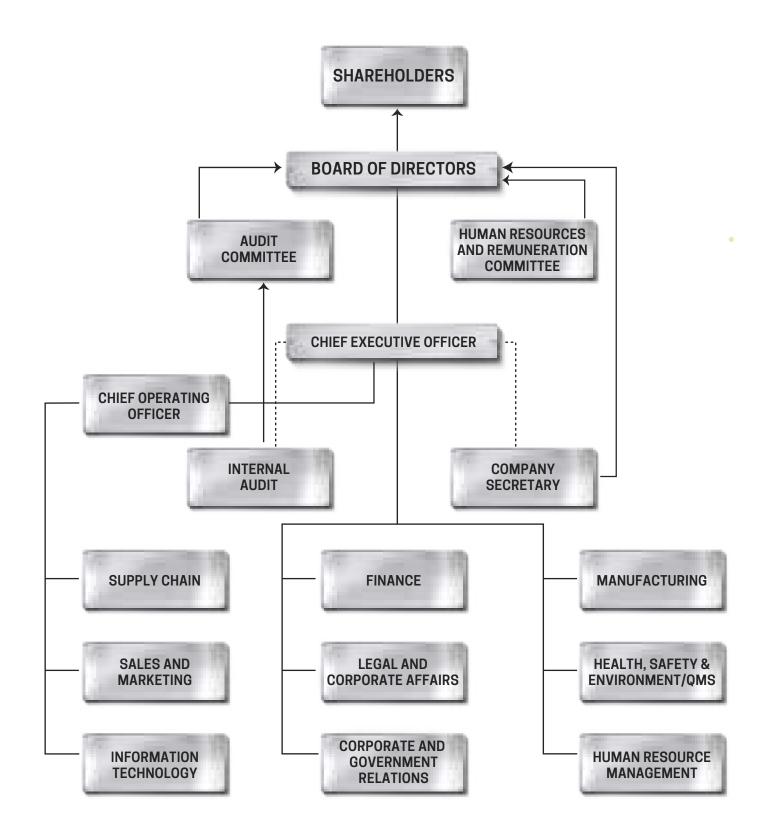
- i) All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on company business.
- ii) Employees shall be careful while dealing with personal or business associates and not disclose, divulge or provide any information regarding the Company to anyone except where the same is used as a part of his/ her official obligations and as required for official purpose and shall abide by the Closed Period announced by the Company from time to time and also sign a Non-Disclosure Agreement if the need arises.
- iii) All Employees should avoid any kind of bribery, extortion and all other forms of corruption.
- iv) Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.
- v) Any legally prohibited or controlled substances, if found in the possession of any employee, will be confiscated and, where appropriate, turned over to the authorities.
- vi) Employees must ensure no instances of personal deliveries using the Company's resources, tax number and/or business name.

(g) Miscellaneous

- i) All Employees are required to comply with this Code of Conduct and are personally responsible for doing so. Employees must comply with any rules set out in this Code of Conduct. Breach of any principles within the code may result in disciplinary action and a serious breach such as if any employee is found to be in wanton abuse of the Code and their action can cause reputational risk or damage or financial loss to the Company, may amount to gross misconduct, which may result in dismissal. Further, the Company reserves the right to seek redress and damages from such individuals
- ii) Employees at all levels will be required to certify

- annually that they understand the Code and that they are in full compliance with this code. The Board monitors the findings of this certification on an annual basis.
- iii) The Company has in place a confidential 'Whistleblowing Policy' as a mechanism and process to encourage the reporting of any non-compliance with the Code of Conduct.
- iv) You agree that all right, title and interest in and to all work product resulting during the course of your employment with the Company, whether created, generated or produced by you or others or under your supervision, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, know-how and all intellectual property, including but not limited to patent, copyright, trade secrets and other related rights, belong to the Company exclusively and shall be the exclusive property of the Company and may be used by the Company at any time without any obligation to pay you any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company by operation of law or otherwise, you hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company without any obligation on the part of the Company to pay you any compensation whatsoever, and you shall not use the same for any purpose other than for the benefit of the Company nor will you pass it on to any other person or institution other than to those approved by the Board and you will not take the same with you when you cease to be an employee of the Company for any reason whatsoever (and shall return such work product to the Company), and you shall take all steps and shall execute all such documents as may be necessary or reasonably required by the Company, at the expense of the Company, to procure and ensure that the Company obtains and retains complete and exclusive legal title to any such invention or improvement, and you shall assist the Company in obtaining, securing, enforcing and retaining the abovementioned intellectual property rights as is needed by the Company.

Organization Chart



Mechanism for providing information

Formal Reporting Line

The current organization/structure of the Company consists of various departments/divisions, each of which is led by a divisional head. These divisional heads are responsible for the reforms of their respective divisions and the Board can then have access to them.

Employees

Employees are encouraged to express their views and forward their suggestions. We follow an open door policy and employees are free to send emails, phone or even talk directly to the CEO. The employees can give suggestions, grievances and concerns or raise any matter related to the Company. In case the matter is of significant nature, the same is addressed in the meetings of the Management Committee, the Board of Directors or the relevant Board committee.

The Company also has a Whistle Blowing Policy to enable employees to raise serious concerns to the Management regarding the business or Company without fear of repercussions.

The CEO also meets the entire Management Committee at least once every quarter through which they are provided an opportunity to express their concerns and suggestions directly to the CEO. These meetings are aimed at capturing free and first hand suggestions.

Shareholders

Every year the Annual General Meeting of shareholders is held in accordance with the requirements of the Companies' Act 2017, which is attended by the Board, CEO, Company Secretary, CFO and the senior management of the Company. The interactive session with the shareholders allows the shareholders to ask questions on financial, economic, social and other issues and also give suggestions and recommendations. The CEO responds to all questions.

The Company has also provided contact details of all relevant personnel for general and specific queries on its website.

Managing Conflict of Interest

As per the Code of Corporate Governance, the Company annually circulates the Code of Conduct amongst all employees and Directors. Further, the Directors and key employees are reminded of insider trading and to avoid dealing in shares during closed period.

Every Director is required to bring to the attention of the Board complete details regarding any transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters.

The complete details of all transactions with related parties are provided to the Board for approval. These transactions are also fully disclosed in the annual financial statements of the Company.

Responding to the needs of industry and customers



International Steels Limited is committed towards increasing the self-reliance of the flat steel industry in Pakistan.

Staying true to its narrative of "Redefining Made in Pakistan", ISL has substituted a significant portion of country's flat steel imports through localizing an essential raw material.

To date, ISL has saved over **\$355 Million** of foreign exchange outflow while diversifying the country's export base.

Our desire to imagine, innovate and co-create a future with infinite possibilities, is reflected in our efforts to look beyond steel, adopt next-generation technologies and make a meaningful impact on billions of lives.

Chairman's **Review**



Chairman's Review

I am pleased to present the review for the year ended June 30 2022, highlighting Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

The year 2021-2022 was another successful year for the Company in terms of financial performance inspite number of challenges emanating from the economic and business front. Macroeconomic vulnerabilities exacerbated by political uncertainty, high global commodity prices driving inflation to record levels, and increased current account deficit resulting in pressure on the Pakistani currency, leading to its depreciation by 31% during the year. Measures taken by the government included increase in policy rate to 15% and 100% LC margin imposed on your Company's raw material imports have resulted in increased borrowing and higher financial cost. Further, super tax at 10% on the profit earned by your Company was responsible for decrease in profit after tax by Rs 716 million.

The resilience and growth shown by your Company in overcoming these challenges show the strength of this Company. This has also become possible due to Levy of antidumping duties on dumped imports of Cold Rolled coils, Galvanized coils and Color coated coils and sheets from different countries. The salient financial achievements during the year are:

- Net sales increased to Rs. 91.42 billion
- Gross profit achieved Rs. 12.38 billion
- Earnings per share Rs. 12.44

The Debottlenecking project aimed to enhance the finishing capacity of Cold Rolled Coils and Sheets by 120,000 MT with an investment of Rs. 1.23 billion is on track for completion. The state-of-the-art Rewinding Line with an Electrolytic Cleaning Section has been commissioned in June 2022. This will enable the Company to expand its already strong footprint in automobile, appliances and Tin Mill Black Plate (TMBP) segments of the Cold Rolled Steel market. The upgradation of the Skin Pass Mill is expected to be completed by the end of the current calendar year. Furthermore, the Purlin machines have also been successfully commissioned at the Service Center, and have started commercial production catering to the needs of the construction sector.

The Company increased its exports sales by 57% to Rs. 18.7 billion (USD 111 million), despite global supply chain disruptions and sea freight challenges. Your Company is now the 37th largest exporter of the county and is making its contribution to increase the country's export and reducing trade deficit.

In line with the Company's vision and mission, the focus of the Company's management will remain on delivery of quality products and sound business plans for the overall success of the Company. The Company is fueled by the confidence of its fundamental strengths, the quality of its devoted workforce, the production systems and effective supply chain management. I am confident that the Company will be successful in meeting the future challenges and targets.

The Board has performed its duties and responsibilities diligently and has contributed effectively in guiding the Company in all its strategic affairs. The Board also played a key role in monitoring of management performance and focus on major risk areas. The Board was fully involved in strategic planning process and enhancing the vision of the Company.

The Board recognizes that well defined corporate governance processes are vital in enhancing corporate accountability, and is committed to ensuring high standards of corporate governance to preserve and maintain stakeholders' value. All Directors including the Independent Directors fully participated and contributed in the decision making process of the Board.

As Chairman of your Company, I will continue to be responsible for leading the Board, fostering a culture of openness and constructive debate during which all views are heard, and ensuring that the board hears from appropriate range of senior management. I will remain firmly committed to ensuring that your Company complies with all relevant codes and regulations, and that our management team continues to take decisions that will create value for you in the short, medium and long term.

The Board carried out its annual self-evaluation in line with the requirements of Code of Corporate Governance and found its performance to be most satisfactory and improved over previous years. The main focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the management. The Board intends to further improve its performance to be in line with global best practices.

Apart from the Board Audit Committee (BAC) / Board Human Resources & Remuneration Committee (HRRC) meetings every quarter, the Board met five (5) times during the year. The Board normally meets once every quarter to consider and approve financial and operating results, and once to consider and approve the budget for the following year.

The Company has an independent Internal Audit department that follows a risk-based audit methodology. Internal Audit reports are presented to the Board Audit Committee on a quarterly basis and areas for improvement are highlighted.

Your Company is continuously investing substantial resources to further improve working conditions for its employees to provide a safe, healthy and comfortable working environment.

On behalf of the Board, I wish to acknowledge the contributions of all our employees in the success of the Company. I also wish to thank our shareholders, customers, suppliers, bankers, business partners and other stakeholders for their confidence and support.

The Board looks forward towards the next year with greater confidence in meeting the challenges ahead.

Dr. Amjad Waheed

MIW. LI

Chairman

Karachi, August 18, 2022

سربرای تجزیی۲۰۲۲ء

مجھے خوشی ہے کہ میں ۳۰ جون ۲۰۲۲ء کو اختتام پزیر ہونے والے سال کا جائزہ پیش کررہا ہوں۔اس تجزیخ میں ادارے کی کارکردگی اور بورڈ آف ڈائر کیٹرز کی جانب سے انتظامی عملے کی راہ نمائی کو اجا گر کرنا مقصود ہے، جس کے ذریعے تمام حصد داروں کامغادیقینی بنایا گیا ہے۔

مالی سال ۲۰۲۱-۲۰۲۱ و اقتصادی کارکردگی کے لخاظ سے ادارے کے لیے معاثی اور کاروباری محاذی پر پیدا ہونے والے متعدد مسائل کے باوجود ایک اور کامیاب سال رہا۔ سیاسی عدم استخکام، عالمی سطح پراشیاء کی بلند قیمتوں کی وجہ سے مجموعی اقتصادیا سے کمز ور ہوئی ، اور جاری اکا وَنت خسارے میں اضافہ ہوا، جس کے نتیج میں پاکستانی روپے پر دباؤ پڑا، نتیج بنا گزشتہ سال کے دوران روپ کی قدر میں ۲۱ فیصد تک کی واقع ہوئی ۔ حکومت کی طرف سے اٹھائے گئے اقد امات میں پالیسی ریٹ میں کی قدر میں ۲۱ فیصد تک اضافہ اور مطلوبہ خام مال کی درآ مدات پر عائد ۱۰۰ فیصد ایل ہی مار جن بھی شامل ہے ، جس کے مشامل ہونے والے منافع میں قرض لینے کے سبب درآ مدی لاگت میں اضافہ ہوا۔ مزید میں کہاذ وار سے والے منافع میں کی کا ذمہ دار ہے۔

ان مسائل پر قابو پانے میں آپ کے ادار ہے کی جانب سے دکھائی گئی کچک اور ترقی اس ادار ہے کی قوت ظاہر کرتی ہے۔ بیاس لئے بھی ممکن ہوا کہ مختلف مما لک سے ڈمپ ہونے والی کولڈرولڈ کوائلز، گیوانا کرز ڈ کوائل اورکلرکوٹڈ کوائلز اورشیٹس پراینٹی ڈمپیگ ڈیوٹی لگادی گئی۔

* گزشته سال کے دوران نمایاں مالی کا میابیاں درج ذیل ہیں:

- كل فروخت بره هر 91.42 ارب رويي هو گئ
- حاصل شده مجموعي منافع 12.38 ارب رويے رہا-
 - في خصص آمدني 12.44 رويے رہي۔

کولڈرولڈکواکٹراورشیٹ کی استعداد میں 120,000 میٹرکٹن اضافے کے لئے لگایا جانے والا 1.23 ارب روپے کا ڈی بوٹل نینگ منصوبہ بحیل کے مراحل میں ہے۔ الیکٹرولائیگ کلینگ سیشن کے ساتھ جدیدترین ریوائنڈنگ لائن جون۲۰۲۲ء میں شروع کی گئی ہے۔ یہ آٹو موبائل، آلات اورٹن ال بلیک پلیٹ جدیدترین ریوائنڈ کی لائن جون۲۰۲۲ء میں شروع کی گئی ہے۔ یہ آٹو موبائل، آلات اورٹن ال بلیک پلیٹ (TMBP)، کولڈرولڈ سٹیل مارکیٹ کے شعبے میں اوارے کا پہلے سے قائم مضبوط کر دار مزید مقتلم بنائے گی۔ اسکن پاس مل کی وسعت رواں سال کے آخر تک مکمل ہونے کی امید ہے۔ مزید برآں، پرلن گی۔ اسکن پاس مشینیں بھی کا میابی کے ساتھ سروس سینٹر میں لگائی جاچکی ہیں اور تغیر اتی صنعت کی ضروریات یوری کرنے کے لیے تجارتی پیداوارش وع کردی گئی ہے۔

عالمی ترسیلات میں رکاوٹوں اور سمندری مال برداری کے مسائل کے باوجود آپ کے ادارے نے اپنی برآمدی فروخت میں ۵۵ فیصد یعنی 18.7 ارب روپے (111 ملین امریکی ڈالر) کا اضافہ کیا ہے۔ آپ کا ادارہ اب ملک کاسیتیںواں بڑا ہرآمد کنندہ بن چکا ہے اور ملک کی برآمدات بڑھانے اور بین الاقوامی تجارتی خسارہ کم کرنے میں جر پورکرداراداکر رہاہے۔

ادارے کا نظریہ اور مقاصد کے مطابق ، مجموعی کا میابی کے حصول کے لیے انظامید کی توجہ معیاری مصنوعات اور شخوس کا روباری منصوبوں کی فراہمی پر رہے گی۔ ادارے کو اپنی بنیادی صلاحیتوں یعنی اس کی وقف معیاری افرادی قوت، پیداواری نظام اور مؤثر ترسیلاتی نظم کے اعتادسے تقویت ملتی ہے۔ مجھے یقین ہے کہ کمپنی مستقبل کے مسائل حل کرنے اور اہداف حاصل کرنے میں کا میاب رہے گی۔

بورڈ نے اپنے فرائض اور ذمہ داریاں محنت سے نبھا کیں اور کمپنی کی تمام ترحکمتِ عملی بنانے میں رہنمائی کے لیے موثر کر دارا دا کیا ہے۔ بورڈ نے انتظامی کارکردگی کی نگرانی اور بڑے مسائل پر توجہ دینے میں بھی کلیدی کر دارا دا کیا۔ بورڈ مکمل طور پرمستقبل کی منصوبہ سازی اوراغراض کی وسعت کے لئے کوشاں رہا۔

بورڈ تسلیم کرتا ہے کہ منظم اور موثر کار پوریٹ انتظام، کار پوریٹ احتساب کاعمل بڑھانے کے لیے ناگزیہ ہے اور وہ متعلقین کی قدر مشحکم اور برقر ارر کھنے کے لیے کار پوریٹ انتظام کا اعلیٰ معیار بیتی بنانے کے حوالے سے پرعزم ہے۔ تمام ڈائر یکٹرزبشمول خود مختار ڈائر یکٹرز نے بورڈ کے فیصلہ سازی عمل میں مکمل حصہ لیا اور تعاون کیا۔

آپ کے ادارے کے سربراہ کے طور پر، میں بورڈ کی قیادت کرنے میں بے جھک اور تغیری بحث کے رویے کو فروغ دینے کے لیے ذمددار رہول گا، جس دوران تمام آراء تی جا ئیں گی اور یہ بات بینی بنائی جائے گی کہ مناسب حد تک سینئر انظامیہ کی بات نی جائے ۔ میں یہ امر بینی بنانے کے لیے مضبوطی سے پرعزم رہول گا کہ آپ کا ادارہ تمام متعلقہ قوائد اور ضوابط کی تغیل کرتا رہے اور یہ بینی بنایا جائے کہ ہماری انتظامیہ ایسے مختصر، درمیانی اور طویل مدتی فیصلے کرتی رہے جو آپ کے مفادمیں ہوں۔

بورڈ نے کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق اپنی سالانہ خود احتسابی کی اور پایا کہ موجودہ کاردگی پچھلے سالوں کے مقابلے میں زیادہ تسلی پخش اور بہتر رہی۔ بنیادی توجہ دائی ترتی ، کاروباری مواقع، رسک مینجنٹ، بورڈ کی تشکیل اورانظامی تکرانی فراہم کرنے پر رہی۔ بورڈ جدیدعالمی رجحانات کے مطابق ادارے کی کارکردگی مزید بہتر بنانے کاارادہ رکھتا ہے۔

ہرسہ ماہی میں آڈٹ کمیٹی (BAC) اور بورڈ ہیومن ریسورس کمیٹی (HRRC) کے اجلاسوں کے علاوہ بورڈ نے سال کے دوران پانچ (5) باراجلاس کیا۔ بورڈ عام طور پر ہرسہ ماہی میں ایک بار مالی اورا نظامی نتائج پرغور کرنے اورا سے منظور کرنے اورا کے سال کے بجٹ پرغور کرنے اورا سے منظور کرنے کے لیے اجلاس کرتا ہے۔

ادارے کا انٹرنل آڈٹ ایک آزاد شعبہ ہے جورسک پریٹی آڈٹ کے طریقہ کار کی بیروی کرتا ہے۔ اندرونی آڈٹ تجزبیسہ ماہی بنیادوں پر بورڈ آڈٹ کمیٹی کو پیش کیا جاتا ہے اور بہتری کی گنجائش رکھنے والے کے شعبے اجا گر کئے جاتے ہیں۔

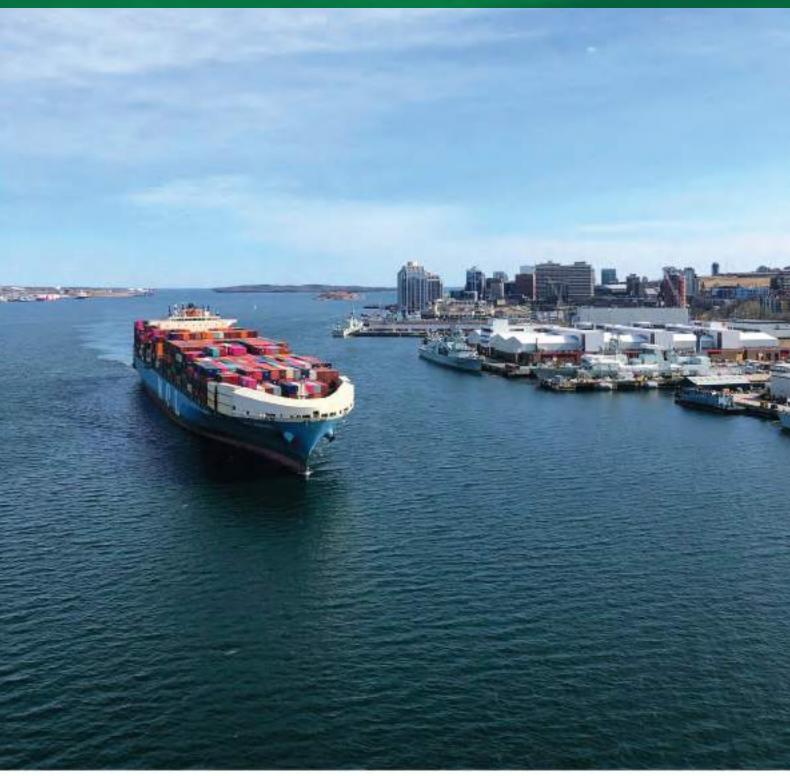
آپ کاادارہ اپنے ملاز مین کومخفوظ ، صحت منداور آرام دہ ماحول فرا ہم کرنے اور بیشہ درانہ حالات کومزید بہتر بنانے کے لیے خاطر خواہ وسائل کی مسلسل سر مایہ کاری کررہاہے۔

بورڈ کی جانب سے میں ادارے کی کامیا بی میں حصہ لینے والے اپنے تمام ملاز مین کے تعاون کا اعتراف کرنا حیا ہتا ہوں۔ میں اپنے حصص یافت گان، صارفین، سپلائرز، مینکرز، کاروباری شراکت داروں اور دیگر متعلقین کے اعتماد اور تعاون کے لیے ان کاشکر سیادا کرنا جیا ہتا ہوں۔

بورڈآ ئندہ پیش آنے والے مسائل کا مقابلہ کرنے کے لیے اعتماد کے ساتھ اگلے سال کے لئے تیار ہے۔

ا مع مسلم 1 رهم ڈاکٹرامجدوحید چیئرمین کراچی،۱۸ اگست،۲۰۲۲ء

All-round excellence all over the world



International Steels Limited aspires to be a leading corporate entity in the Pakistani and global flat steel industry. We strive to be recognised for our operational excellence, as well as, environmental and social stewardship.

Committed towards Brand Pakistan, ISL has been contributing towards diversifying Pakistan's export base by exporting flat steel to over 30 countries across 5 continents to some of the most quality-conscious markets such as the USA, South Africa, Australia and various countries in the MENA region, to name a few.

To date, the company has contributed over **US\$448 Million** worth of exports to Pakistan's foreign exchange receipts.

This year, ISL has received "Employers Federation of Pakistan's Exporters Recognition Award", being acknowledged among the Top 45 largest exporters of Pakistan. The company has also been listed among the leading exporters of Pakistan by the Trade Development Authority of Pakistan (TDAP).

Directors' Report

The Directors of International Steels Limited are pleased to present the 15th Annual Report accompanied by the audited financial statements for the year ended June 30, 2022.

Global Steel Scenerio

The global steel prices collapsed by almost 40% after hitting a record high to USD 1,100 this year.

A significant downward adjustment commenced in prices of major raw materials mainly iron ore and coking coal. Iron ore and coking coal prices after peaking to USD 176 and USD 450 corrected to USD 110 and USD 220 respectively.

The global market has weakened since March 2022 as spiraling inflation, COVID lockdowns in China particularly in Shanghai as part of its zero-tolerance policy to COVID and Russian Ukraine conflict have all heightened demand outlook uncertainty.

World crude steel production remained at 1.9 billion metric tons during the year, with a decrease of 3% as compared to the last year's production of 1.96 billion metric tons. China continued to lead the global steel market however, its total production decreased by 11% as compared to last year decreasing its overall share in the global output to 52.5% from 57% of last year mainly due to Covid lockdowns and state mandated measures to reduce carbon emissions.

Despite COVID and supply chain constraints, the steel demand recovered strongly in western and US markets. However, the recovery has been short lived due to ongoing conflict in Ukraine and potential supply chain disruptions.



National Economy

Economy struggled due to its macroeconomic vulnerabilities and impact of higher commodity prices. Although the growth numbers for the year 2021-22 are impressive:

GDP GROWTH **5.97%**



LSM GROWTH **11.7%**



RECORD EXPORTS OF \$31.8 BILLION



RECORD
REMITTANCES OF
\$31.2 BILLION



However, such high growth for an import led economy is at the cost of depleting exchange reserves and widening current account deficit. With the rising global commodity prices, the current account deficit widened to USD 17 billion against USD 1.9 billion of last year. Rupee depreciated significantly by 31% to Rs. 205 to USD from Rs. 157 last year. Average inflation recorded as high as 12.15% against 8.9% of last year.

Government along with the central bank took following tightening measures to slow down economy:



Policy rate increased by a cumulative **8%** to **15%**



100% cash margin on LCs of selected sectors, including HRC



Withdrawal of fuel subsidy



Increasing Energy Prices



Imposition of super tax on profits of selected industries including steel

These measures have tightened financial conditions and increased borrowing costs especially for the Large Scale Manufacturing sector and resulted into demand suppression.

Business Review

Post COVID surge in demand slowed down in the current year. The volumes declined by 14%, however, the revenues reflected a robust growth of 31% from Rs. 69.8 billion to Rs. 91.4 billion. Exports contributed positively increasing by 57% as Company expanded its global footprint.

The Company had been very vigilant and kept a close eye on the dumped imports of flat steel products in Pakistan. Antidumping duties on flat steel products including Cold Rolled Coils, Galvanized Coils and Color Coated Coils which were imposed in the years 2016, 2017 and 2018 for a period of five years had been subject to expiry review during the current financial year. Upon request of the Company, antidumping duties on dumped imports of Cold Rolled Coils were continued for further period of five years by the National Tariff Commission of Pakistan. Review for antidumping duties imposed on dumped imports of Galvanized Coils is in process and the Company is confident that these antidumping duties will also be continued for a further period of five years. Expiry review of Color Coated Coils will start in the coming year.

The Company has been actively defending the imposition of antidumping duties before various judicial forums including the Antidumping Appellate Tribunal and the Superior Courts. With its efforts, the Company had been able to counter the dumping practices which has helped the company to maintain its market share. The imposition of antidumping duties on dumped imports of CRC from Korea and other countries as well as continuance of antidumping duties as above played a major role for your Company to increase its revenue particularly when the cost of sales has increased due to multiple factors discussed above. Otherwise, the post-covid piled-up stocks in exporting countries would have made it impossible for the Company to maintain or increase its sales revenue. The sales tax and income tax exemptions to manufacturers in the erstwhile FATA / PATA regions have grossly been misused and abused.

The concession was granted by government to expedite development in the region however, the abuse of concession resulted in serious damage to industry besides revenue loss for the federal government. On persistent follow up by the Company, government has incorporated a system of checks and balances to prevent the misuse. Increase of around 114% in the interest rates from 7% to 15% and introduction of 100% LC margin on HRC imports significantly increased the finance cost by 63% over last year. This increase was contained by effective inventory management and manufacturing costs. Extreme volatility in the exchange rate costed a net exchange loss of Rs. 617 million. Record high freight costs increased the freight expense by 52%.

Furthermore, the imposition of a super tax of 10% in June 2022 on profits of the Company further impacted the bottom line. Your Company still managed to post profit before tax of Rs. 8,000 million and profit after tax of Rs. 5,412 million against profit before tax of Rs. 10,295 million and profit after tax of Rs. 7,466 million last year.



The total production for the year was 411,000 tons as compared to 492,000 tons of last year.

The gross margin declined to 13.54% from last year's 19.3% mainly due to volatility in raw material prices. Company managed to maintain healthy margins due to favorable raw-material purchases and effective inventory management.

The Company, in line with the country's objective, continued with its strategy to enhance the international presence. The revenue from export sales has increased by 57% this year touching Rs. 18.7 billion as compared to Rs. 11.9 billion.

Despite global supply chain disruptions, the Company managed to export 87,000 tons primarily in bulk shipments.

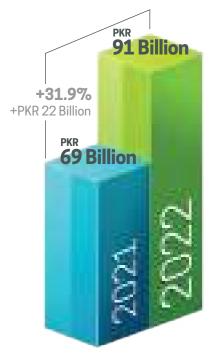
Dampened demand, an overall slowdown in the local market exacerbated by the political uncertainty in the second half of the year have restricted growth.

Forecasts for the upcoming year are challenging. The enhanced manufacturing capability has enabled the Company to lead the market with fulfilling demand in local and international markets and import substitution.

Sales

With a strong first quarter, the steel demand continued to decline in rest of the year. However, your Company continued with its aggressive market development activities complementing it with a sustainable enhancement in the product quality.

The company managed to achieve strong sales of Rs. 91.4 billion, 31% higher than the last year's sales of Rs. 69.8 billion.



The Company produced and sold various specialized grades for auto sector including high tensile strength material and TMBP which will continue to ensure significant savings in foreign exchange. The company already pursues a well-designed strategy to increase its global footprint. Slow-down in the domestic market was balanced by export contracts at good prices.

Export contracts were fulfilled though bulk shipments due to limited container's availability. As a result, the export sales increased by 57% touching Rs. 18.7 billion constituting 20% of the overall net sales value.

The total sales volumes of the prime product remained at 424,000 metric tons comprising 240,000 metric tons of Galvanized and 184,000 metric tons of Cold Rolled Products.

This was the second year of operations of the state-of-the-art Service Center. Sales from Service Center almost doubled during the year reaching to Rs. 9 billion as compared to Rs. 4.6 billion of last year.

The Company continued to consolidate and leverage its nation-wide dealer network, however special focus remained on quality enhancement along with exploring and developing the export markets.

Manufacturing Operations



Current year production was 411,000 tons, reflecting a decrease of 16.5% over the previous year based on subdued demand in the local market.

Availability of gas remained a challenge this year as well in winter months however, management continued to focus on effective supply chain management to ensure its product availability in the market.

The rewinding line with an electrolytic cleaning section designed specifically to debottleneck cold rolled capacity and increased efficiency in TMBP production. The investment has been financed using Temporary Economic Refinance Facility (TERF) and Long-Term Financing Facility (LTFF) offered by State Bank of Pakistan at exceptionally concessionary rates.

C&Z Purlin machines have also been successfully commissioned at Service Center and started commercial production catering to the needs of construction sector.



Health, Safety and Environment

Company believes in and is fully committed to improve Health, Safety and Environment standards to achieve sustainable HSE performance.

Process Safety and Behavior Based Safety across the organization is ensured through HSE Management System integrated with the Company's organization scheme and the Company is on track of continuous improvement with focus to achieve and sustain leading levels. The Company has a dedicated Health, Safety and Environment department manned by the subject matter experts. We have engaged a top notch HSE expert in the development of behavioral based safety culture to create a sustainable and safe working environment for our people, customers, contractors and the community.

Standard Operating Procedures (SOPs) have been implemented to combat COVID with zero tolerance policy. The Company continued its operations throughout the year with strict adherence to the SOPs. Employees have been actively encouraged and motivated for vaccination as well as booster dose. The Company provides full medical and financial assistance to the employees and their families for any illness including COVID.

Implementation of focused safety programs, environmental standards and strong visible leadership resulted yet another year without any major incidents. Your Company continued to comply with National Environmental Quality Standards including best practices for air emissions, noise, portable water and industrial effluent. The Company again won three Corporate Social Responsibility Awards at the National Forum for Environment and Health (NFEH).





The Company is operating an incident management program using "Safesite" as a tool. It assists in reporting unsafe acts and conditions, near misses and incidents as well as ensuring the key learnings are shared across the organization.

The Company conducted environmental monitoring in compliance with Sindh Environmental Protection Agency (SEPA) requirements at ISL Factory and Service Centre in the month of June 2022. World Environment Day - 2022 under theme of "Only One Earth" was celebrated by ISL Team on June 06, 2022, at Arabian Sea Country Club, Karachi.

Energy Management

Company's 19 MW co-generation power plant continued to operate satisfactorily, the heat recovered in the process meets most of the utility needs of the process and in line with our practice, excess energy is supplied to K-Electric.

Financials

The Company has continued its growth streak in its revenues. With a growth of 31%, the current year's revenue reached Rs. 91.4 billion. The gross margins stood at Rs. 12,381 million compared with Rs. 13,492 million last year.

Administrative expenses decreased by 6% to Rs. 340 million as compared to last year of Rs. 362 million despite a yearly increment in salaries and wages to employees.

The Company rationalized its legal and professional expenditure by reorganizing its team of legal and professional experts handling its legal and tax matters. Selling and freight expenses increased by 52%, mainly due to record increase in global freight rates. Other operating expenses remained at almost the same level as last year with a minimal increase of 2% to Rs. 1,308 million. Major portion of these charges comprises WPPF of Rs. 430 million and WWF charges of Rs. 172 million both of which have decreased due to being the function of profit before tax. The Company incurred Rs. 617 million of net exchange loss due to extreme volatility in the exchange rate.

Financial charges increased significantly by 63% and stood at Rs. 1,323 million against last year's Rs. 812 million mainly due to higher interest rates and imposition of 100% cash margin requirement on import of HRC exerting pressure on working capital requirements. A super tax of Rs. 716 million increased the effective taxation rate for the year.

Improving working capital and cash flow management have always been the Company's focus. However, the domestic slow down increased the inventory in hand in the Company's books negatively effecting the cash generated from operations closing at negative Rs. 3,453 million. Despite such a massive increase in the closing inventory value, the sales tax receivables were well managed increasing by only 10%. Concerted efforts were put in to obtain sales tax refund of Rs. 911 million during the year.

Earnings Per Share

Earnings per share for the year ended June 30, 2022 were Rs. 12.44 compared with Rs. 17.16 per share last year.

VIS Credit Rating

In its interim rating review in March 2022, VIS Credit Rating Company Limited has maintained the Company ratings of 'A+/A-1' (Single A Plus/A-One). Outlook assigned to the rating is 'Stable'.

Human Resources

The Company maintained industrial peace and a positive and enabling work-environment for all employees in the organization by promoting candor and fairness.

The Company continued its efforts on development of personnel at all levels, proactively building capabilities and retaining talent for business continuity. Employee engagement has been managed with robust policies and procedures. Day long team building activities were organized this year again by the HR department involving various team games and cross departmental exercises to foster networking and coherence amongst departments.

A state-of-the-art gymnasium continues to operate to encourage employees to adapt a healthy lifestyle.

The Company successfully continued its operations with an optimal headcount of 705. The Company has formulated a firm succession plan, which includes performance evaluation and appropriate training requirements for development of potential future leaders.



The Company continued to enhance capabilities of employees by providing them development opportunities in prestigious institutions including LUMS, IBA, ICAP, MAP and PIM.

In recognition of its good HR practices, the Company was again the recipient of the Employers' Federation of Pakistan 'Employer of the Year Award'.

Corporate Social Responsibility

The Company is committed in supporting the community and has a policy to contribute at least 1.5% of its profit after tax. The Company contributed Rs. 85.6 million, 1.58% of its profit after tax, to different health care, educational and social uplifting projects.



Healthcare

The Company regularly supports various healthcare facilities including SINA Health Education and Welfare Trust, SIUT, LRBT, Karwan-e-Hayat, AI Rehmat Benevolent Trust, AKUH Patients Behbud Society, The Indus Hospital and The Kidney Centre to ensure provision of quality healthcare facilities to the less privileged section of the society.

Education

ISL believes that the future of our country is linked with high quality education. Education is critical for sustainable economic development as well as human and social interaction within society. The Company has continued to maintain scholarship program in NED University for the deserving talented individuals. Regular support is extended to Habib University Foundation, Hunar Ghar and The Citizens Foundation Chinoy Campus at Landhi to cater growing needs of education and vocational training.

Social uplift

The Company demonstrates a firm commitment towards contributing to the social uplifting and community development initiatives by supporting organizations like Amir Sultan Chinoy Foundation and Asian Study Group.

Risk Management

The Risk Management Infrastructure of the company is based upon Enterprise Risk Management methodology/framework addressing the major risk categories including Strategic, Operational, Compliance and Financial Reporting Risk.

Adequate controls have been designed and communicated to the staff via various policy and procedural guidelines, which are executed and self-assessed by the process/control owners. A comprehensive Risk Register has also been developed by the management laying down key risks of each area/function with corresponding controls and their ratings for effective evaluation. The Risk Register is quarterly reviewed by the Board Audit Committee.

An independent Internal Audit Department, under direct reporting to the Board Audit Committee, evaluates, oversees and comments on the design and operating effectiveness of these controls.

Board Composition and Remuneration

Composition of the Board and the names of Members of Board Sub-committees are detailed at Page No. 78 and 79.

The Company has formulated a transparent policy and procedures for the remuneration of its Directors (refer to note 35 of the financial statements) in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2017.

Recommendation of the Board Audit Committee for Appointment of Auditor

The recommendation of the Audit Committee for appointment of auditor is referred at Page No. 95

Dividend

In view of the financial results of the Company for the year 2021-22, the Board of Directors of the Company has recommended a final cash dividend of 45% i.e., Rs. 4.5 per share in addition to the interim cash dividend of 20% i.e., Rs. 2.00 per share, already paid, making a total of 65% i.e., Rs. 6.5 per share for the financial year ended June 30, 2022.

Appropriations	2022	2021
	Rupees in '000	
Profit after tax for the year	5,412,190	7,466,331
Interim Dividend 2022 Rs. 2.00 per share: (2021 Rs. 3.00 per share)	(870,000)	(1,305,000)
Final Dividend 2022 Rs. 4.50 per share: (2021 Rs. 7.00 per share)	(1,957,500)	(3,045,000)

Contribution to the National Exchequer and the Economy

Your Company contributed Rs. 19,543 million to the National Exchequer during the year by way of income tax, sales tax, custom duties and other levies.

Provident Fund and Gratuity Scheme

The Company provides retirement benefits to its employees. These include a non-contributory defined benefit Gratuity Scheme for all employees and a contributory Provident Fund for all employees except unionized staff. Both plans are funded schemes recognized by tax authorities.

The values of the provident fund and the gratuity scheme at the year end were Rs. 249 million (2021: Rs. 216 million) and Rs. 294 million (2021: Rs. 238 million).

Future Prospects

Despite economic challenges, the Company has continued to invest in its manufacturing facilities, human capital, ERP systems and product quality enhancements. These investments will enable to further strengthen the Company's already strong foothold in the engineering sector. The management is also working on the feasibility for setting up a hot rolled strip mill to meet the growing demands of flat steel market.

Battling with chronic problems of the economy particularly the widening current account deficit and depleting foreign exchange reserves, the government is targeting an economic slow-down next year. The inflation is also feared to remain high throughout the year. However, continued and sustainable investment in its manufacturing capability, supply chain process, product quality, human capital and marketing capacity would continue to provide the Company a competitive edge over other players in the market.

A dedicated service center at the Port Qasim Area of Karachi is already adding its positive contribution to the Company's performance with an increase of almost 100% in its revenues as compared to last year. The strategic location of the center is aimed at further increasing the Company's value proposition and service offerings. Your Company is continuously working on its strategy to further increase its market share in the local and international markets and be instrumental in imports substitution.

Recognition

Your Company has been ranked amongst Top 50 Exporters of Pakistan by Trade Development Authority of Pakistan (TDAP). ISL is again in the list of Top 25 Companies of Pakistan Stock Exchange for 2020. For the third consecutive year, ISL has won the 36th Corporate Excellence Award instituted by Management Association of Pakistan (MAP). Team ISL secured 3rd position in the Asian Management Games 2022 Asia's premier strategy and management competition, organized by Asian Association of Management Organizations (AAMO) maintaining its lead position from Pakistan.

Acknowledgements

The Board would like to thank all our stakeholders, employees, customers, suppliers, shareholders and bankers for their support. The confidence and goodwill of the stakeholders has allowed the Company to sustain and grow over the years.

We continue to pray to Allah for the success of the Company and for the benefit of all stakeholders, and the country in general.

Yousuf Husain Mirza Chief Executive Officer

Dr. Amjad WaheedChairman

MIN. LI

Karachi: August 18, 2022

پراویڈنٹ فنڈ اور گریجو پٹی اسکیم

ادارہ اپنے ملاز مین کوریٹائرمنٹ کے فوائد فراہم کرتی ہے۔ ان میں تمام ملاز مین کے لیے نان کنٹر بیوٹری ڈیفائنڈ بینیفٹ گریجوئی اسکیم اور یونیٹائز ڈیٹیلے کے علاوہ تمام ملاز مین کے لیے ایک کنٹر بییوٹری پروویڈنٹ فنڈ شامل ہے۔ دونوں منصوب مالیاتی اسکیمیں ہیں جنہیں ٹیکس حکام سے منظور شدہ ہیں۔ سال کے آخر میں پراویڈنٹ فنڈ اور گریجو بی اسکیم کی مالیت 249 ملین روپ (2021: روپ 216 ملین)ور 2944 ملین روپ (2021: روپ کامیس کے ملین)اور 2944 ملین روپ (2021: روپ کامیس کے ملین کار کی مالیت 249 ملین روپ کار کی ملین کے ملین کار کی ملین کورٹ کی مالیت کار کی ملین کی مالیت کار کی کھیں۔

مستقبل کے امکانات

اقتصادی مسائل کے باوجود، کمپنی نے اپنی پیداواری صلاحیت، افرادی قوت، ERP سسٹر اور مسائل کے معیار کو بڑھانے میں سرمایہ کاری جاری رکھی ہے۔ یہ سرمایہ کاری انجینئر نگ کے شعبہ میں اوارے کی موجودہ مضبوط حثیت مزید مسئل کاریٹ کی انظامیہ فلیٹ اسٹیل مارکیٹ کی موجودہ مضبوط حثیت مزید مسئل کرنے کے قابل بنائے گی۔ انظامیہ فلیٹ اسٹیل مارکیٹ کی معیشت کے دائی مسائل خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور غیرملکی زرمبادلہ کے معیشت کے دائی مسائل خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور غیرملکی زرمبادلہ کے دخائر میں کی سے نبرد آزما حکومت اسلام سال کے لئے معاثی ست روی کا ہوف بنارہی ہے۔ مہنگائی بھی سال بھر بلندر ہنے کا خدشہ ہے۔ تاہم، ادارے کی پیداواری صلاحیت، ترسیل عمل، مصنوعات کے معیار، مقابلہ بلندر ہنے کا خدشہ ہے۔ تاہم، ادارے کی پیداواری صلاحیت، ترسیل عمل مقابلہ میں مسالقتی برتری فراہم کرتی رہے گی۔ کراچی کے بورٹ قاسم کے علاقے میں ایک وقف سروس سینئر پہلے ہی کمینی کی کارکردگی میں اپنا شبت حصد ڈال رہا ہے اور اس کی آمدنی میں گزشتہ سال کے مقصد ادارے کی قدر و قیت اور خدمات کی رسد مزید بڑھانا ہے۔ آپ کا ادارہ مقامی اور بین الاقوامی منڈیوں میں اپنی حکمت عملی پر قیمت مزید بڑھانے اور در آمدات کے متبادل کے طور پراہم کردارادا کرنے کے لیے اپنی حکمت عملی پر مسلسل کام کرد ہاہے۔

يزريانك

ٹریڈ ڈویلپہنٹ اتھارٹی آف پاکتان (TDAP) کے ذریعہ آپ کے ادارے کو پاکتان کے 50 میٹرین برآ مدکنندگان میں شامل کیا گیا ہے۔ ISL ایک بار پھر 2020 کے لیے پاکتان اشاک ایک پینی بہترین برآ مدکنندگان میں شامل کیا گیا ہے۔ سلط تیرے سال ، ISL نے پنجنٹ ایسوی ایشن آف پاکتان (MAP) کی جانب سے قائم کردہ چھتیواں کارپوریٹ ایکسی لینس ایوارڈ جیت لیا ہے۔ ٹیم ISL نے ایشین منجمنٹ گیمز 2022 میں ایشیا کے اہم ترین حکمت عملی اور انتظامی مقابلے میں تیسرا درجہ حاصل کیا اور انتظامی مقابلے میں تیسرا درجہ حاصل کیا اور پاکتان سے اپنی برتر حیثیت برقر اردگی ، اس مقابلے کا اہتمام ایشین ایسوی ایشن آف منتجمنٹ آرگنا کرنیشن (AAMO) نے کیا تھا۔

اعترافات

بورڈ آف ڈائر کیٹرزاپنے تمام متعلقین، ملاز مین، صارفین، سپلائرز، مصص یافتہ گان اور مینکرز کے تعاون کا شکریدادا کرنا چاہتا ہے۔ تمام متعلقین کے اعتماد اور خیرسگالی نے گزشتہ برسوں میں ادارے کو برقر ارر کھنے اور ترقی کرنے کا موقع فراہم کیا ہے۔

ہم ادار ہے کی کامیا بی اور تمام متعلقین اور ملک گیرعمومی فائدے کے لیے اللہ سے دعا گور ہیں گے۔

الم الكراهي الكرامي الكريك الكرامي الكريك الكرامي الكريك الك

مناسب کنٹرول ڈیزائن کیے گئے ہیں اور عملے کو مختلف ضوابط اور طریقہ کار کی رہنما ہدایات کے ذریعے مطلع کیا گیا ہے، جو پروسس یا کنٹرول اونرز کے ذریعے تخص اور عمل میں لائے جاتے ہیں۔انتظامیہ کی طرف سے ایک جامع رسک رجٹر بھی تیار کیا گیا ہے جس میں متعلقہ کنٹرولز اور ان کی درجہ بندیوں کے ساتھ ہر شعبے افتکشن کے اہم خطرات موڑ تنخیص کے لیے درج کئے گئے ہے۔ نیز بورڈ آ ڈٹ کمیٹی کے ذریعے رسک رجٹر کا سے ماہی جائزہ لیا جاتا ہے۔

بورڈ آ ڈٹ کمیٹی کو براہ راست رپورٹنگ کے تحت ایک خود میٹا را نٹرنل آ ڈٹ ڈیپارٹمنٹ، ان کنٹر ولز کے ڈیز ائن اور آپریٹنگ تا ثیر کا جائزہ ، نگرانی اور تبصر نے فراہم کرتا ہے۔

بورة كى تشكيل اورمعاوضه

بورڈ کی تفکیل اور بورڈ کی ذیلی کمیٹیول کے اراکین کے نام صفحہ نمبر 78 اور 89 پر درج ہیں۔ ادارے نیکینیز ایک، 2017 اور لٹ کمپنیز (کوڈ آف کارپوریٹ گورنس)ریکولیشنز 2017 کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لیے ایک شفاف پالیسی اور طریقہ کاروضع کیا ہے (مالی بہانات کا نوٹ 35 دیکھیں)۔

> آ ڈیٹر کی تقرری کے لیے بورڈ آ ڈٹ میٹی کی سفارشات آڈیٹر کی تقرری کے لیے آڈٹ کمیٹی کی سفارش صفی نمبر 95 پردرج ہے۔

ڈ بو پٹرنٹر

کمپنی کے سال 2021–22 کے مالیاتی نتائج کے پیش نظر، کمپنی کے بورڈ آف ڈائر کیٹرز نے حتی نقذ منافع کی سفارش کی ہے 45 فیصد لیتن 4.50 روپے فی حصص جو کہ 20 فیصد کے عبوری نقد منافع لیتن 2.00 روپے فی حصص کے علاوہ ہے جو کہ پہلے ہی ادا ہو چکے ہیں، 30 جون 2022 کوختم ہونے والے مالی سال کے لیکل 65 فیصد لیعن 6.50روپے فی شیئر بنتے ہیں۔

مخضات

Y+Y1 Y+YY

'000'روپے

منافع بعداز محصول ادائيگي 5,412,190

عبوری منافع منظمیہ (870,000) (870,000) 2022: 20.0روپے فی شیئر؛ (2021: 3.00روپے فی شیئر)

حتى منافع منقسمه حتى منافع منقسمه عنی (1,957,500) (3,045,000) (3,045,000) (2022: 0.50,000) (2021) (3,045,000) (3,

قومی خزانے اور معیشت میں شراکت

آپ کے ادارے نے سال کے دوران اکم ٹیکس، سیز ٹیکس، کشم واجبات اور دیگر محصولات کی مدمیں تو می خزانے سے 19,543 ملین روپے کی ادائیگی کی۔

ماليات

ادارے نے اپی آمدنی میں ترقی کا سلسلہ برقر اررکھا ہواہے۔31 فیصد نمو کے ساتھ ،موجودہ سال کی فروخت 1914 ارب روپے تک پہنچ گئی۔مجموعی شرح منافع چھلے سال کے 12,381 ملین روپ کے مقابلے میں 13,492 ملین روپے رہا۔

انتظامی اخراجات ۳۲۲ سلملین روپے سے 6 فیصد کم ہوکراس سال ۱۳۴۰ ملین روپے رہے۔ باوجوداس کے کہ ملاز مین کی نتخواہوں اور اجرتوں میں سالانہ اضافہ کیا گیا۔ ادارے نے قانونی اور چیشہ ورانہ معاملات سنجالنے والے پیشہ ورقانونی ماہرین کی اپنی ٹیم کو دوبارہ منظم کر کے قانونی اور پیشہ ورانہ اخراجات کو معقول بنایا۔ فروخت اور مال برداری کے اخراجات میں 52 فیصد اضافہ ہوا، جس کی بنیادی وجہا کمی مال برداری کی شرح میں ریکارڈ اضافہ ہے۔

دیگر پیداداری اخراجات 2 فیصد کے مختصراضا نے کے ساتھ تقریباً پچھلے سال کی سطح پر برقر اررہے یعنی 1,308 ملین رویے۔

. ان چار جز کابڑا حصہ 430 ملین روپے کے WPPF پر شتمل ہے اور WWF چار بڑ 172 ملین پے رہے کیکن منافع قبل ازمحصولات سے انتض کرنے کی وجہ سے دونوں میں کی واقع ہوئی۔ ادارے نے شرح مبادلہ میں بتدریج اتار چڑھاؤکی وجہ سے 617 ملین روپے مجموعی زیرمبادلہ کا نقصان اٹھایا۔

مالیاتی واجبات میں نمایاں طور پر 63 فیصدا ضافہ ہوا اور پچھلے سال کے 812 ملین روپے کے مقابلے میں مالیاتی واجبات 1,323 ملین روپے ہوگئے۔ بنیادی طور پر بلندشر سوداور HRC کی درآمد پر 100 فیصد نقذ مارجن واجبات کے نفاذکی وجہ سے ور کنگ کمپیٹل پر دباؤ پڑا۔ سالانٹہ محصولات کی لاگو شرح میں 716 ملین روپے سپڑیکس کا اضافہ ہوا۔

ورکگ کیپیٹل اورکیش فلو مینجنٹ بہتر بنانا ہمیشہ سے ادارے کی توجہ کا مرکز رہا ہے۔ تاہم، مقامی کاروباری ست روی نے اداے کے انوینٹری گوشواروں میں تیار مصنوعات کی مقدار بڑھ گئی، گویا کاروباری سرگرمی سے پیدا ہونے والی نفذی پر اثر پڑا جس کے سبب نفذی کھاتہ 3,453 ملین روپ منفی پر بند ہوا۔ اختتا می انوینٹری کی قیمت میں اسے بڑے پیانے پر اضافے کے باوجود سیز تیکس کی وصولیوں میں صرف 10 فیصد اضافہ ہوا۔ سال کے دوران 911 ملین روپ کے سیز تیکس ریفنڈ کے حصول کے لیے ٹھوس کوشیس کی گئیں۔

في حصص آمدني

30 جون 2022ء کوختم ہونے والے سال کے لیے فی شیئر آمدنی پچھلے سال 17.16 روپے کے مقالبے میں 12.44 رویے فی حصص رہی۔

VIS کریڈٹ ریٹنگ

مارچ2022ء میں اپنے عبوری ورجہ بندی کے جائزے میں، VIS کریڈٹ ریٹنگ کمپنی کمیٹڈ نے A+/A-1' (single A Plus / A-One)

کے جوالے سے تفویض کردہ آئندہ امکانات استخام ابیں۔

افرادی وسائل

ادارے نے صاف گوئی اور انصاف پیندی کوفروغ دے کرتمام ملاز مین کے لیے پُرامن صنعتی اور ایک مثبت قابلِ کار ماحول برقر ار رکھا ہے۔ادارے نے تمام سطحول پر عملے کی ترقی کے لیے اپنی کوششیں جاری رکھیں اور صلاحیتوں کی فعال تعیر اور کاروباری شلسل کے لیے ہنر برقر ار رکھا۔ ملاز مین کی

مصروفیات مضبوط حکمتِ عملی اور طریقه کار کے ذریعے منظم کی گئیں۔اس سال ملاز مین کے درمیان ذہنی ہم آ ہنگی قائم کرنے کے لئے افرادی قوت کے شعبے کی جانب سے مختلف سرگرمیوں کا انعقاد کیا گیا، جس میں مختلف ٹیم گیمزاور پیشہ ورانہ شقیس شامل تھیں تا کہ شعبوں کے درمیان روابط اور ہم آ ہنگی کوفر وغ دیا جا سکے۔ نیز ملاز مین کوصحت مند طرز زندگی اپنانے کی ترغیب اور ماحول فراہم کرنے کے لیے ایک جدید ترین جمناز یم بھی کا م کررا ہے۔

ادارے نے705 افراد کی بہترین افرادی توت کے ساتھ کا میابی سے اپناپیداواری کا م جاری رکھا۔ کمپنی نے تقرری کا ایک پختہ منصوبہ تیار کیا ہے، جس میں مستقبل کے مکند ہنر مندوں کی ترقی کے لیے کار کر دگی کا جائزہ اور مناسب تربیت کے نقاضے شامل ہیں۔

ادارے نے ملاز مین کو MAP،ICAP،IBA، LUMS اور PIM سیت متناز پیشہ ورانہ تعلیمی ادارے نے ملاز مین کو متناز پیشہ ورانہ تعلیمی اداروں میں تربیت حاصل کرنے کے بھر پورمواقع فراہم کر کے ان کی صلاحیتوں میں اضافہ کرنا جاری رکھا۔ مثبت انچ آرطریقے اختیار کرنے کی بنا پر آپ کا ادارہ نے ایمپلائرز فیڈریشن آف پاکستان کی جانب سے ایمپلائر آف دی ایئر الوارڈ حاصل کیا۔

كار بوريك ساجي ذمه داري

ادارہ سابق خدمت کے لیے پرعزم ہے اوراس کی پالیسی ہے کہ محصولات کی ادائیگی کے بعدا پنے منافع کا کم از کم 1.5 فیصد حصد سابق خدمات میں خرچ کرے۔ ادارے نے اس سال محصولات کی ادائیگی کے بعد منافع کا 1.58 فیصد حصہ یعنی 85.6 ملین روپے کا تعاون صحت، تعلیم اور سابق ترقی کے مختلف منصوبوں میں کیا۔

صحت کے شعبے میں خدمات

آپ کا ادارہ معاشرے کے غیر مراعات یا فتہ طبقہ کے لئے صحت کی معیاری سہولیات کی یقینی فراہمی کے غرض سے SINA ہیلتھ ایجو کیشن اینڈ ویلفیئر ٹرسٹ، SIUT ، کاروان حیات، الرحمت بینوولینٹ ٹرسٹ، AKUH پیشنٹس بہبود سوسائٹی ، دی انڈس ہیپتال اور کڈنی سنٹر سمیت متعدد طبی اداروں کی مالی معاونت با قاعد گی سے کرتا ہے۔

تغليمي شعبي مين خدمات

آئی الیں املی کا ماننا ہے کہ جمارے ملک کامتنقبل اعلیٰ اور معیاری تعلیم سے وابستہ ہے۔ تعلیم پائیدار اقتصادی ترقی کے ساتھ ساتھ معاشرے کے اندر انسانی اور ساجی تعامل کے لیے اہم ہے۔ کمپنی نے NED یو نیورٹی میں ستحق باصلاحیت طلبہ کے لیے اسکالرشپ پروگرام جاری رکھا ہوا ہے۔ تعلیم اور پیشہ ورانہ تربیت کی بڑھی ہوئی ضروریات پوری کرنے کے لیے حبیب یو نیورٹی فاؤنڈیشن، ہنرگھر اور دی سٹیزن فاؤنڈیشن اسکول کیمیس لانڈھی کو با قاعدہ مدوفراہم کی جاتی ہے۔

ساجي بهبود

ادارہ امیر سلطان چنائے فاؤنڈیشن اورایشین اسٹڈی گروپ جیسی تنظیموں کی حمایت کرتے ہوئے ساجی ترقی اورمعاشرتی ترقی کے اقد امات میں حصہ ڈالنے کے لیے پختہ عزم کامظاہرہ کرتا ہے۔

رسك مينجمنٹ

کمپنی کا رسک مینجمنٹ انفراسٹر کچر انٹر پرائز رسک مینجمنٹ کے طریقہ کار/فریم ورک پر ببنی ہے جو اسٹر ینجگ، آپریشنل، کمپلائنس اور فنانشل رپورٹنگ رسک سمیت بڑے خطرے کے زمروں کوحل کرتا

اس سال مجموعی پیداوار 411,000 ٹن رہی جبکہ گزشتہ سال 492,000 ٹن رہی تھی۔خام مال کی قیمتوں میں اتار چڑھاؤ کے سبب مجموعی شرح منافع گزشتہ سال کے 19.3 فیصد سے کم ہوکر 13.54 فیصد منافع فیصد رہ گئی۔خام مال کی موافق خریداری اوران کے بہتر انتظام کے ذریعے ادارہ خاطر خواہ شرحِ منافع برقر ارد کھنے میں کامیاب رہا۔

ادارہ نے مکی اقتصادی مقاصد کے مطابق اپنی بین الاقوامی رسد بڑھانے کے لیے حکمت عملی کو مرتب کیا۔اس سال برآ مدات کی فروخت میں 57 فیصد اضافہ ہوا یعنی 18.7 ارب روپ جبکہ گزشتہ برس برآ مدات کا مجموعی جم 11.9 ارب روپ تھا۔ عالمی ترسیل سے میں رکاوٹوں کے باوجود ادارہ تھوک ترسیل کے ذریعے 87,000 ٹن برآ مدکر نے میں کا میاب رہا۔

سال کی دوسری ششماہی میں سیاسی غیر بیتی صور تحال کی وجہ سے مقامی بازار میں مجموعی طور پرمحد و وطلب نے ترقی مختصر کر دی۔ آنے والے سال کی پیشین گوئیاں مزید مشکلات کا عندید دے رہی ہیں۔ وسیج پیداواری قابلیت نے ادارے کو مقامی اور بین الاقوامی منڈیوں میں طلب بوری کرنے اور درآمدی متبادل کی حیثیت کے ساتھ سازار کی قیادت کرنے کے قابل بنایا ہے۔

فروخت

پہلی سہ ماہی میں مشخکم رہنے کے بعد بقیہ سال کے دوران فولادی مصنوعات کی طلب میں کی واقع ہوئی۔ تاہم، آپ کے ادارے نے اپنی جارحانہ شہبری ترقی کی سرگرمیاں جاری رکھیں جن کی جمحوعی معیاری مصنوعات کے بتدرت اضافے کے ساتھ کی گئی۔ آپ کا ادارہ 91.44 ارب روپ کی مجموعی فروخت حاصل کرنے میں کا میاب رہا، جو گزشتہ برس 69.8 ارب روپ فروخت سے 31 فیصد زیادہ تھا۔ ادارے نے آٹوموبائل صنعت کے لیے مختلف خصوصی مصنوعات تیار اور فروخت کیس جن میں ہائی شینسائل مصنوعات شامل ہیں۔ مزید برآں، ٹن پلیٹ صنعت کے لیے ٹی ایم بی پی مصنوعات تیار کرنے کے لیے ٹی ایم بی پی مصنوعات تیار کرنے کے لیے ٹی ایم بی پی مصنوعات تیار کرنے کے لیے ٹی ایم بی پیداواری سہوات شامل کی گئی۔ جس کے ذریعے زرمبادلہ میں نمایاں بچے جمکن جو سکے گ

ادارہ پہلے ہی اپنی عالمی رسد بڑھانے کے لیے ایک معیاری حکمت عملی پرکار فرما ہے۔ مقامی منڈی میں کاروباری ست روی اچھی قیتوں پر برآ مدی معاہدوں سے متوازن کی گئی۔ کنٹیزز کی محدود دستیابی کی وجہ سے بڑے پہانے پر تربیلی رکاوٹوں کے باوجود برآ مدی معاہدے پورے کئے گئے۔ نیتجناً برآ مدی فروخت 57 فیصد بڑھ کر 18.7 ارب روپے تک جا پیچی۔ جو کہ مجموعی فروخت کا 240,000 فیصد ہے۔ بنیادی مصنوعات کی کل فروخت کا تجم 424,000 میٹرکٹن رہا جس میں 240,000 میٹرکٹن کم بنیادی مصنوعات کی کل فروخت کا تجم 184,000 میٹرکٹن کا کراڑ ارب کا دوسرا سال تھا۔ اس برس سروس مینئر سے فروخت تقریباً دوگنی ہوکر پیچلے سال کے 4.6 ارب روپے کے مقابلے میں 19 ارب روپے تک پہنچ گئی۔ ادارے نے اپنا ملک گیرڈ بلرنیٹ ورک مشحکم ارب روپے کے مقابلے میں 19 ارب روپے تک پہنچ گئی۔ ادارے نے اپنا ملک گیرڈ بلرنیٹ ورک مشحکم بنا کے فائدہ اٹھا نا جاری رکھا۔ تاہم ، عالمی سطح پر برآ مدی منڈ یوں کی تلاش اور ترتی کے ساتھ ساتھ معیار بر بڑ عدی منڈ یوں کی تلاش اور ترتی کے ساتھ ساتھ معیار کو بڑھانے پرخصوصی توجہ مرکوز رکھی گئی۔

پیداواری کارگزاری

زیرِنظرسال کی پیداوار 411,000 ٹن رہی جو کہ مقامی منڈی میں کم طلب کے سبب گزشتہ برس کے مقالج میں 16.5 فیصد کی کی ظاہر کرتی ہے۔اس سال بھی موسم سرما میں گیس کی دستیا بی ایک مسئلہ رہی۔تاہم،ادارے کی انتظامیہ نے بازار میں اپنی مصنوعات کی دستیا بی تیتی بنانے کے لیے موثر ترسیلی نظم پر توجہ مرکوزر کھی۔

ر بوائنڈ نگ لائن کے ساتھ الیکٹرولا نگ کلینگ سیشن جو خاص طور پر کولڈ رولڈ پیداواری صلاحیت بڑھانے کے ساتھ ساتھ TMBP مصنوعات کے لئے الیکٹرولا نگک سے صاف شدہ مصنوعات تیار کرنے کے غرض سے لگائی ہے۔اس توسیعی منصوبے کے لئے بینک دولت پاکستان کی جانب سے غیر معمولی رعایتی شرحوں پر پیش کردہ عارضی اقتصادی ری فنانس فیسیلٹی (TERF) اور طویل مدتی مالیاتی سہولت (LTFF) کا استعمال کرتے ہوئے سرما بیکاری کی گئی ہے۔

Purlin C&Z مشینیں بھی سروس سینٹر میں کامیابی کے ساتھ لگائی گئیں اور تعمیراتی صنعت کی ضروریات پوری کرنے کے لئے تجارتی پیانے پر بیداوار شروع کردی گئی۔

صحت، حفاظت اور ماحولیات

ادارہ HSE کی پائیدارکارکردگی حاصل کرنے کے لیے صحت، حفاظت اور ماحولیات کے معیارات کو بہتر بنانے پریقین رکھتا ہے اور کمل طور پر پُرعزم ہے۔ادارے کی نظیمی اسیم کے ساتھ مر بوط HSE مینجنٹ سسٹم کے ذریعے پوری نظیم میں پیشہ ورانہ تحفظ اور برتا و برتنی تحفظ تینی بنایا جاتا ہے اور کمپنی نمایاں سطحوں کو حاصل کرنے اور اے برقر اررکھنے پر توجہ کے ساتھ مسلسل بہتری کی راہ پرگامزن ہے۔

ادارے کے پاس صحت، حفاظت اور ماحولیات کا ایک فعال شعبہ موجود ہے جس کا انتظام پیشہ ورانہ ماہر ین سنجا لتے ہیں۔ہم نے اپنے لوگوں،صارفین، شیکیداروں اور دیگر متعلقین کے لیے ایک پائیداراور محفوظ پیشہ ورانہ ماحول بنانے کے غرض سے برتاؤ بربنی حفاظتی طرزِ عمل بیتینی بنانے کے لئے ایک اعلی در ہے HSE ماہر بھی شامل کیا ہوا ہے۔

وبائی صورتِ حال سے نمٹنے کے لیے اسٹینڈرڈ آپریٹنگ پروتیجرز (SOPs) غیر جانبدارانہ حکمتِ عملی کے تحت لا گو کئے گئے۔ادارے نے SOPs پر تخق سے عمل درآ مد کرتے ہوئے سال بجرا پنا پیداواری کام جاری رکھا۔ ویکسینیشن کے ساتھ ساتھ بوسٹر ڈوزلگوانے کے لیے ملاز مین کی بجر پور حوصلہ افزائی کی گئے۔ادارہ ملاز مین اور اُن کے اہل خانہ کو کسی بھی بیاری بشمول کرونا کی صورت میں مکمل طبی معاونت اور مالی امارافر اہم کرتا ہے۔

خصوصی تفاظتی حکمتِ عملی ، ما حولیاتی معیارات اور نمایاں مضبوط قیادت کے نفاذ کے نتیج میں مزیدا یک اور برس بغیر کسی بڑے جاد نے گزرا۔ آپ کے ادارے نے تو می ما حولیاتی معیارات کی تقیل جاری رکھی ، جس میں ہوا کے اخراج ، شور ، آپ زخائر کا تحفظ اور صنعتی فضلے کے لیے بہترین طریقہ کارشامل ہیں۔ ادارے نے ایک مرتبہ پھر بیشنل فورم فار انوائر نمنٹ اینڈ ہیلتھ (NFEH) سے تین شعبوں میں کار پوریٹ سوشل رسنیوسٹی ایوارڈ حاصل کئے۔ادارہ "Safesite" کوایک آلہ کارکے طور پراستعال کرتے ہوئے ایک حادثاتی منتجنٹ پروگرام چلارہا ہے۔ یہ غیر محفوظ کا دروا ئیوں اور حالات کی اطلاع دینے میں مدد کرتا ہے ، جو کی بھی واقعے کو بھی نظر انداز نہیں کرتا اور ساتھ ہی اس پروگرام کے تحت یہ بات بیتی بنائی جاتی ہوئی ہے کہ اہم حفاظ می معلومات ادارے کے تمام شعبوں تک بیٹھے۔

ادارے نے جون2022ء میں آئی ایس ایل فیکٹری اور سروس سنٹر میں سندھ انو ائر منٹل پر ڈیکشن ایجنسی (SEPA) کی ضروریات کے مطابق ماحولیاتی مشاہدہ کیا۔ ISL ٹیم نے "صرف ایک زمین" کے عنوان سے 60 جون 2022ء کوعرابین سی کنٹری کلب کراچی میں عالمی ہوم ماحولیات منایا-

توانائي كاانتظام

سمپنی کا 19 میگاواٹ کا ملحقہ بلی گرتسلی بخش طریقے سے کام کررہا ہے، جس کے ذریعے حاصل ہونے والی تو ان کا ملحقہ بلی گر تسلی بخش طریقے سے کام کرد کی جاوراضا فی بجلی کے - الیکٹرک کوفراہم کردی جاتی ہے۔

د ائر يكٹرز كى ربورك:

ا نزیشنل اسٹیلز لمیٹڈ کے ڈائر مکٹرز 30 جون 2022ء کوختم ہونے والے مالی سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پندر ہویں سالاندر پورٹ پیش کرتے ہوئے پُرمسرت ہیں۔

فولا دسازي كاعالمي منظرنامه

اس سال عالمی سطح پرلو ہے کی قیمتیں تقریباً 40 فیصد تک گر گئی جو کہ اس سال 1,100 ڈالر کی بلند ترین سطح تک جا پہنچیں تھی۔ بنیادی خام مال خاص طور پر خام فولا داور کو کئے کی قیمتوں میں ایک واضح فرق د کیصنے میں آیا۔ خام فولا داور کو کئے کی قیمتیں ۷اور ۴۵۰ امر کی ڈالر تک پہنچنے کے بعد بالتر تیب ۱۱۰ اور ۱۲۲۰م کی ڈالر تک ہوگئیں۔

عالمی منڈی مارچ ۲۰۲۲ء سے کمزور پڑتی جارہی ہے کیونکہ بڑھتی مہنگائی، چین میں کووڈ بنڈٹیس خصوصاً شنگھائی شہر میں اور یوکرین پر روسی جارحیت جیسے بین الاقوامی واقعات نے مصنوعات کی طلب میں ایک غیریقینی صورت پیدا کردی ہے۔

عالمی سطح پر فام لوہ کی پیداواراس مالی سال کے دوران 1.9 ارب میٹرکٹن رہی، جوگزشتہ سال 1.96 ارب میٹرکٹن رہی، جوگزشتہ سال 1.96 ارب میٹرکٹن پیداوار کے مقابلے میں 3 فیصد کم تھی۔ چین لوہ کے کی عالمی منڈی میں تسلسل سے آگے بڑھتار ہاتا ہم اس کی کل پیداوار میں گزشتہ سال کے مقابلے میں 11 فیصد کی واقع ہوئی جس کی وجہ سے عالمی پیداوار میں اس کا مجموعی حصہ گزشتہ سال کے 57 فیصد سے کم ہوکر 52.5 فیصد رہ گیا جس کی بنیادی وجو ہات کوویڈ بندشیں اور کاربن کا اخراج کم کرنے کے لیے ضروری ریاستی اقدامات بھی ہیں۔

وہائی صورتِ حال اور ترسیلات کی رکاوٹوں کے باوجود،مغربی اور امریکی منڈیوں میں لوہے کی طلب خاطر خواہ رہی۔ تاہم، یہ بحالی لوکرین میں جاری تنازعہ اور ممکنہ ترسیلات میں رکاوٹوں کے سبب مختصر نوعیت کی تھی۔

قومي معيشت

مکی معیشت اپنی مجموعی اقتصادی کمزوریوں اوراشیاء کی بلند قیمتوں کے اثرات کی وجہ سے غیر مشحکم رہی۔ اگر چہ مالی سال ۲۰۲۱-۲۰۲۲ء کے لیے ترقی کے شارے قابل ذکر ہیں:

- مجموعی داخلی پیداواری (GDP) نمو-%5.97
- وسيع مصنوعات سازي (LSM)نمو-%11.7
 - 31.8ارب امريكي ۋالركى ريكار ۋېرآ مدات
- 31.2 ارب امريكي ۋالركى ريكار ۋېين الاقوامى ترسيلات

تاہم، درآ مدی انحصار پر قائم معیشت کے لیے اتنی زیادہ ترتی زرمبادلہ کے ذخائر کم کرنے اور کرنٹ اکاؤنٹ خسارہ بڑھانے کی وجہ بنی۔ اشیاء کی بڑھتی ہوئی عالمی قیمتوں کے ساتھ، کرنٹ اکاؤنٹ خسارہ پچھلے سال کے 1.9 ارب کے مقابلے میں 17 ارب امریکی ڈالر تک پہنچ گیا۔ روپے کی قدر میں نمایاں طور پر 31 فیصد کی کی وجہ سے امریکی ڈالر پچھلے سال کی نسبت 157 روپے سے 205 روپے تک جا پہنچا۔ اوسط مہنگائی گزشتہ سال 8.9 فیصد کے مقابلے میں 12.15 فیصد تک بلندریکارڈ کی گئے۔

حکومت نے مرکزی بینک کے ذریعے تو می معیشت ست کرنے کے لیے درج ذیل سخت اقدامات کئز:

• ياليسى كى شرح مجموعى طور ير 8 فيصد سے 15 فيصد تك بره هاديا۔

- HRC سمیت منتخب صنعتوں کے LCs پیش مارجن۔
 - ایندهن پررعایت واپس لینا۔
 - توانائی کی قیمتوں میں اضافہ۔
 - لوہے سمیت منتخب صنعتوں کے منافع پرسپرٹیکس کا نفاذ۔

ان اقدامات نے کاروباری حالات مزید سخت بنادیئے۔خاص طور پروسیع پیداوری صنعتوں میں پیداوار کے لیے قرض لینے کی شرح میں اضافیہ ہوا،نیتجاً طلب میں کمی واقع ہوئی۔

كاروباري حائزه

کرونا کی وبائی صورت حال کے بعدرواں سال طلب میں اضافہ غیر مشتکم رہا۔ طلب کے جم میں 14 فیصد کی واقع ہوئی، تاہم، فروخت 31 فیصداضا نے سے 69.8 ارب روپے سے بڑھ کر 91.4 ارب ہوئی ۔جس میں آپ کے ادارے کی 57 فیصد بڑھنے والی برآ مدات نے شبت کردارادا کیا۔

ادارہ انتہائی مستعدی کے ساتھ ملک میں آنے والی فلیٹ اسٹیل کی ستی درآ مدات پرنظرر تھتی رہی۔سال 2016-2017 اور 2018 میں کولڈ رولڈ کوائز ، گلیونا ئز ڈ کوائز اورکلر کوٹڈ کوائز پر پانچ سال کے لئے لگائی گئی اینٹی ڈمیوٹک ڈیوٹیز پر زیر جائزہ سال میں نظر ٹانی ہوئی۔

ادارے کی درخواست پر پیشنل ٹیرف کییشن نے کولڈرولڈمصنوعات پراینٹی ڈمپنگ ڈیوٹیزمزید پاخی سال
کے لئے جاری رکھیں۔ گیلونا کُڑ ڈمصنوعات پرلگائی گئی اینٹی ڈمپنگ ڈیوٹیز بھی زیر جائزہ ہیں اور امید ہے
کہ یہ بھی مزید اگلے پاخی سال کے لئے لاگور ہیں گی۔ کلرکوئڈ کوائلز کی ڈیوٹیز کا اختا ہی جائزہ رواں مالی
سال شروع ہوگا۔ادارہ مستعدی کے ساتھا ینٹی ڈمپنگ ڈیوٹیز کا دفاع مختلف عدالتوں بشمول اینٹی ڈمپنگ
متابلہ کرتا رہا جو کہ ادارے کا مارکیٹ شیئر برقر ارر کھنے میں معاون خابت ہوا۔ جنوبی کوریا ہے آنے والی
متابلہ کرتا رہا جو کہ ادارے کا مارکیٹ شیئر برقر ارر کھنے میں معاون خابت ہوا۔ جنوبی کوریا ہے آنے والی
متابلہ کرتا رہا جو کہ ادارے کا مارکیٹ شیئر برقر ارر کھنے میں معاون خابت ہوا۔ جنوبی کوریا ہے آنے والی
متابلہ کرتا رہا جو کہ ادارے کا مارکیٹ شیئر برقر الرکیٹ میں معاون خابت ہوا۔ جنوبی کوریا ہے آنے والی
متابلہ کرتا رہا جو کہ ادارے کا مارکیٹ شیئر برقر الرکیٹ میں معاون خاب ہوا۔ ادارے کی فروخت میں
ارزاں فولا دی مصنوعات پرلگائی جانے والی مزکورہ بالا اینٹی ڈمپنگ ڈیوٹیز نور دوسرے ممالک سے آنے والی
مزید یہ دونا قبی اورصوبائی قبائی علاقوں کودی گئی محصولات کی چھوٹ کا اخبائی غلط استعال کیا گیا۔ یہ رعایت
اُن علاقوں میں تغیر وترتی کے لئے دی گئیں تھی۔ لیکن غلط استعال سے ملکی صنعتوں کوتو نقصان پہنچا ہی
مزید سے کہ وفاقی خزانے کو بھی نقصان پہنچا۔ادارے کی مستقل جدوجہد کی وجہد کی وجہد سے حکومت نے اس رعایت
کا غلط استعال رو کئے کے لئے احتسائی نظام قائم کیا۔

شرح سود میں تقریباً 114 فیصد کا اضافہ ہوا مینی 7 فیصد سے بڑھ کر 15 فیصد تک اور HRC درآ مدات پر 100 فیصد ایل میں گرشتہ سال کے مقابلے میں 63 فیصد کا نمایاں اضافہ ہوا۔ اس اضافے پر موثر انوینٹری مینجنٹ اور پیداواری لاگت میں کی کے ذریعے قابو پایا گیا۔ اضافہ ہوا۔ اس اضافے پر موثر انوینٹری مینجنٹ اور پیداواری لاگت میں کی کے ذریعے قابو پایا گیا۔ شرح مبادلہ میں انتہائی اتار چڑھاؤ کی وجہ سے مجموقی طور پر 617 ملین روپے کا نقصان اٹھانا پڑا۔ بلند ترین تریلی واجبات نے مال برداری کے اخراجات میں 52 فیصد اضافہ کیا۔ مزید برآن، جون ترین تریلی واجبات نے منافع پر 10 فیصد سیرٹیکس کے نفاذ سے آمدنی مزید متاثر ہوئی۔ آپ کا ادارہ ان حالات میں بھی رواں مالی سال 8,000 ملین روپے مجموعی منافع قبل از مجموعی منافع قبل از مجموعی منافع قبل از محصولات 10,295 ملین روپے واصل کرنے میں کا میاب رہا۔ جبکہ گزشتہ برس مجموعی منافع قبل از محصولات 10,295 ملین روپے قا۔





At ISL, winning is all about creating an impact that matters.

Our sensitivity to the commitment of improving lives in the communities we serve has driven us to actively support various social, educational and healthcare related initiatives across Pakistan.

ISL partakes in various social initiatives to promote wellbeing of people in different sectors, for which the company allocates atleast

1.5% of after tax profit for social uplift and charitable causes.

While creating significant social and cultural relationships, the company envisions an equitable and enlightened society where every individual actualizes his or her potential with dignity.

Our Relationship with the Society and Community

The events of the recent past, have led to emergence of new type of challenges that societies must address in order to progress. The Covid 19 Pandemic has impacted the entire world, whose effects are expected to remain with us for the foreseeable future, reminding us of the vulnerability of modern societies to such disruptions. The sustainability of our operations ensures that we are able to play our role in welfare and development of societies in which we operate.

Embracing our responsibility as the country's largest flat steel manufacturer, we are aware of the importance of business continuity for the society. We continue to uphold safety and wellbeing of our people as our most important responsibility. We ensure compliance with government and global health advisories and were able to ensure business continuity through ensuring safety protocols and encouraging people to work from home in order to limit exposure risk.

The company benchmarks itself against global quality standards and best practices to ensure that our products and services remain competitive and eco-friendly. The company remains committed to reduce its dependency on harmful materials, being driven by the clean, lean and green approach, reducing waste and reusing resources as frequently as possible. The company undertakes various environment conservation initiatives to preserve essential natural resources such as water and air, thereby ensuring sustainability of life, both above and below land.

ISL's over 700 people strong workforce is driven by the company's core values and principles, who work tirelessly to create a safe workplace for their peers and maximize value for the various stakeholders of the company. Over the years, we have consistently embraced management best practices and adopted policies that ensure a fair and competitive workplace, free from discrimination and biases of any nature. Our people remain committed towards playing an active role for society's benefit in causes we hold close to our hearts.

Moving forward, we are conscious of the need to accelerate and scale up the integration of sustainability in our operations. We will remain dedicated to our core values and vision. While continuing our socially responsible approach, we will always maintain our primary aim of promoting human welfare and protecting the environment.

Yousuf Husain Mirza

Chief Executive Officer

Our Value System

INTEGRITY

01

We are committed to maintain the highest ethical standards and ensure a culture of trust and openness internally as well as externally.

RESPECT FOR PEOPLE 03

We are committed to fostering a culture where people come first and we hire, develop and retain our people to work as synergized teams in line with our mission and vision.

RESPONSIBILITY

)5

We consider quality, health, safety and the environment an integral part of our activities and way of life.

DIVERSITY

02

We are an equal opportunity employer with zero bias against gender, race, ethnicity and religion and encourage openness, expression of opinions etc.

FAIRNESS

04

We are committed to implement such policies and procedures which translate We consider quality, health, into fair treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.

10 UN GC Principles

ISL has benchmarked its sustainability and corporate conduct with the United Nations Global Compact (UGC). Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meets fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Global Compact principles into strategies, policies and procedures, and establishing a culture of transparency and integrity, we aspire to set the stage for long-term sustainability.



PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights PRINCIPLE 2

Make sure that they are not complicit in human rights abuses



PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining PRINCIPLE 4

The elimination of all forms of forced and compulsory labour PRINCIPLE 5

The effective abolition of child labour

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation



PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies



PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery

Our Stakeholders



SHAREHOLDERS

Maximize Shareholder value and uphold highest standards of transparency and openness, while assuming the most stringent level of corporate governance and ensuring business continuity.



EMPLOYEES

Provide sustainable employment opportunities to a wide spectrum of people with skills and competencies. Practice diversity and inclusion without exception and maintain practices that upholds employee welfare, wellbeing and zero tolerance for sexual harassment and misconduct. Create a safety culture and enable employees to work in the safest possible environment.



CUSTOMERS

Provide premium products at fair and transparent prices to customers, enable downstream industries to flourish with easy access to an essential raw material. Develop products to serve various industrial segments of the country. Ensure sustainable supply of steel.



GOVERNMENT

Contribute to the government revenue collection, promote import substitution and solve country's major challenges through our value chain. Support government's efforts to provide welfare to the society.



SOCIETY

Promote welfare for society through real value creation, address the major human development issues of the society. Support corporate and social entities, in promoting social development goals and areas that are traditionally overlooked.

Stakeholders Communications

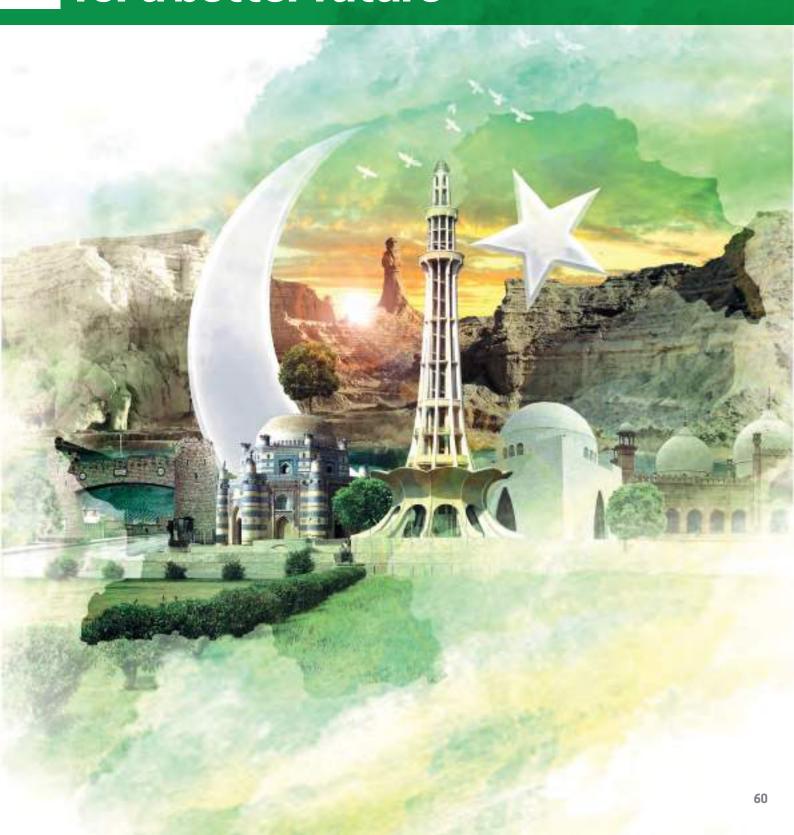
Stakeholder	Frequency	Activities	Value Creation
Employee	Ongoing	Employee feedbacksSurveysIn house trainingTownhall meetingsEmails	Career GrowthLearning and developmentHealth and Safety
Customers	Ongoing	Customer visitsExhibitionsCompany organized events	Quality productFair pricing developmentTimely Deliverability
Shareholders	Quarterly	Shareholders and providers of capital are engaged by corporate affairs department. The mode of engagement is Annual General Meeting (AGM) and Extra-ordinary General Meeting (EOGM).	 Sustained economic returns Business growth
Society	Ongoing	Corporate Social Responsibility (CSR)DonationsSupport for social causes	Social Welfare Better access to opportunities
Government & industrial groups	Ongoing/As and when	Meeting with key stakeholders	Adequate representationKnowledge sharing

External Associations

ISL engages with various government and non-government associations to present our social and environmental impact and remain in coordination for further improvement.

Name of Agency	ISL
Pakistan Environmental Agency	•
Sindh & Punjab Environment Protection Agencies	
Federal Board of Revenue	O
Civil Defense	O
Labor Directorate	O
Pakistan Federations Association	•

Working together for a better future



Since its inception, International Steels Limited has been driven by its vision to promote industrial development in Pakistan.

At ISL, Innovation and responsibility have been at the core of building a sustainable enterprise and exploring possibilities towards creating a better future with sustainability and resilience.

From investing in state-of-the-art technology to redefining what it is to be "Made in Pakistan", ISL has been determined to transform the industrial landscape of the country and at the same time, remain conscious of the society at large.

Our products are fully compliant with the national and global standards of steel-making. As the largest manufacturer and exporter of flat steel products in Pakistan, we deploy best available technology to deliver quality, reliability and availability to provide sustenance to thousands of small and large-sized businesses across Pakistan.

Our resolve is like steel - the material for future and the fabric that shapes a better tomorrow for everyone!

EMPLOYEES

ISL strives to contribute to society's positive development by creating employment opportunities, enabling skill development, and on job-training and promoting employees' wellbeing by providing a safe and comfortable work environment.

In a constantly evolving and highly competitive business environment, the biggest competitive advantage of any company is its human capital. Our Human Resources Department works on implementing policies to ensure that our business objectives are met on a continuous basis, and at the same time, the employees are provided career and self-development opportunities that enable them to evolve in high-performance workers, who deliver the values and vision of the company.

ISL is driven by the code of conduct that professes fair workplace, diversity in gender, race and religion, teamwork, respect for people, safety, and wellbeing of all employees.

Orientation and Induction

At ISL, we believe in nurturing human capital and our recruitment process evaluates and selects the most suitable talent specific to the role, on standard criteria. Besides skill and aptitude, we also seek to evaluate the value system of a potential candidate before selection.

ISL recruits the best talent from industry and provide them a comprehensive orientation plan to help them learn about our business, customers, and operations.

Employees who join the company goes through a rigorous orientation at the company to familiarize themselves with the organizational structure, core values, and operations of the company. This enables them to perform their job roles with full fervor and enthusiasm, thereby, improving their capacity to deliver their targets.

Wellbeing

ISL positions physical and mental health management as the foundation of work-life management, and encourage all employees to practice work life balance. The aim is to promote a work style that allow employees to maintain and enhance their health while being highly productive.



Gym

ISL promotes physical wellbeing of its employees and has established a fully furnished and equipped gym and hot shower rooms at its manufacturing facility. The gym is well-maintained by professional trainers who also guide the employees during their workouts.

Compensation and Benefits

The company benchmark and compare its compensation plans with leading companies and periodically carry out salary surveys for remuneration and annual increments.

Our compensation packages include annual performance bonuses, Workers Profit Participation Fund, Provident Funds, and Gratuity Funds, in addition to our comprehensive health plans, life insurance, mobile phone, company-maintained vehicles and fuel allowances.

Our employment terms include annual, sick, casual and maternity leaves to provide better work-life balance and relaxing periods to all employees, when they need it.

Employee Surveys

ISL regularly conduct anonymous employee surveys. Once completed, the HR team perform thorough subjective and objective reports and presentation with the survey results. In the next stage, department wise meetings are conducted in which positive and negative feedback of the employees is discussed and corrective actions are taken accordingly.

The 8th EFP Employer of the Year Awards

ISL participated and won the diamond award in the 8th Employer of the Year Awards in the "Medium National Companies" category. These awards and the event highlight best practices in the areas of Corporate and General Management, Human Resource Management, OSH&E (Occupational Health, Safety & Environment), Skill Enhancement, Compliances and Sustainable Development.

To date, the company has been recognized consecutively for four times by EFP as Employer of the Year.



Diversity and Inclusion

ISL is an equal opportunity employer and believes in empowering people by respecting and appreciating what makes them different, in terms of age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin. It is also made certain that contributions, presence and perspectives of diverse groups of people are valued and integrated well.

Over the years our strength of female workforce has increased, and we continue to develop roles in the company that are gender neutral.

Training and Development

ISL offers different in-house and external trainings to help employees get the relevant knowledge and skills to improve performance in their current job roles, in all departments and units. The development plans at ISL expansively focus on the professional growth of employees.

Gender Equality

ISL strives to become an employer of choice for the massive talent pool of Pakistan's labor force and actively works to attract and retain employees of all genders and ages within the organization. We have been trying to ensure equal representation of women in the workplace.

Being a large-scale industrial manufacturer, located in suburbs of the city the company provides transport facility to all the women employees at its manufacturing facility.

ISL has steadily promoted gender diversity, with an increase in the female headcount. These women employees serve in diverse functions ranging from HR, finance, sales, marketing, information technology, supply chain, procurement, planning engineering, and production.

Under the banner of ASC group, International Steels Limited, International Industries Limited and Pakistan Cables, celebrated International Women's Day with great zeal this year, to acknowledge and appreciate women performing in diverse job roles. The theme of the event was related to ending gender-based stereotyping and discrimination.



Safety Awareness and Practices

ISL invest in considerable efforts to provide a safe and injury free workplace for its employees and visitors through its OHS&E (Occupational Health, Safety and Environment System) that is implemented by the HSE Department.

Through this program, we have set reporting parameters that minimize the impact of behaviors that could lead to unfavorable events. Our HSE program also enhances the sense of responsibility for keeping the workplace safe and with zero or minimal hazards. Large and clear illustrations pertaining to safety measures, protocols, exits, and warnings are placed on factory floors and in offices as well.

As a part of daily routine work, employees are required to embrace safety as a mindset. Protective equipment relevant to the job nature is required to be worn before starting work. These range from safety gloves, safety goggles and ear protectors. Furthermore, people are required to walk along designated safety pathways in the factory premises. The company has also engaged various consultants to assess the safety practices and protocols. ISL workforce is periodically trained by industry specialists to inculcate the safety practices across all teams.

During the period, first aid trainings and fire drills were carried out at various locations of the company across Pakistan, and counter measures in the events of fire or health emergencies were demonstrated to employees. For specialized activities that pose a potential risk such as working at heights, a safety clearance or "permit to work" is required to ensure that adequate safety measures have been employed.

Data Collection

During all the COVID-19 waves, the company recorded data on COVID-19 vaccinations and recoveries. To date 100% vaccination rate of employees have been achieved.

Logistics Safety Measures

Our product information and HSE standards provide detailed instructions for safe handling of products, reducing the chances of injury during material transit and transportation.



ISL Annual Sales Conference 2022

ISL Annual Sales Conference 2022 took place in Pearl Continental, Muzaffarabad, Pakistan from August 03 to 06, 2022.

ISL Management, Regional, Export Sales and Marketing Teams participated and exchanged business related information, ideas, viewpoints, and challenges for the past fiscal year. The event also encompassed goals and strategies for the current year, and finally closing on conversations and end notes delivered by our CEO, Mr. Yousuf Hussain Mirza, and COO, Mr. Samir Chinoy, that evoked a new zeal and motivation for the coming times.





















ISL Art from the Heart 2022

ISL Art from the Heart - Children's Art Competition 2022 was organized with the collective efforts of the ISL HR and Marketing Teams, for the children of ISL employees. More than 100 entries were received, among which finalists were selected on the basis of their ideas and execution by a jury comprised of seasoned artists and professionals from The Karachi School of Arts.

During the event, great imaginative skills and creativity was displayed by our young artists in the age groups of 5 to 13 years, on the theme of "Shaping Tomorrow"; while they visualized and expressed ways to make this world a better place for the future.















Women's Day Activities 2022

At International Steels Limited, Women Go Strong!

They participate in diverse roles and achieve excellence in their own areas. Collectively, we envision an organisation free from bias, from stereotypes and discrimination. Taking this commitment forward, ISL and IIL jointly planned an activity in the premises of their head offices to engage employees of both genders around the global theme of International Women's Day for this year, which is: #breakingthebias – Creating a world free of bias, stereotypes, and discrimination; world that is diverse, equitable, and inclusive, where difference is valued and celebrated.





CUSTOMERS

At ISL, customers are at the center of our value system, and they are regarded as partners and the company attributes its success to its ability to serve its diverse base of domestic and international customers.

All departments and teams at ISL, primarily from product, planning, production, quality assurance, service center, information technology, sales and marketing roles work tirelessly to exceed customer expectations by providing value-added services and rigorous after sales support to our industrial and commercial customers by understanding the dynamics and fulfilling the needs of their businesses.

Customer Awareness

ISL's sales and marketing team is responsible for developing the informational and engagement-based strategies and material to promote the brand, create awareness and drive sales for ISL products and services.

ISL's sales teams interact with customers on regular basis through visits and at various expos, seminars, events, and exhibitions. Marketing collaterals are also available on ISL's website as well. Quality certifications are also provided to the customers if required.

Transparency in Prices

ISL maintains transparency in its product prices by providing comprehensive price lists for its cold rolled, hot dip galvanized and color coated steel. These lists are timely circulated among our customers. Furthermore, all our customers have access to our regional offices throughout the country to ensure timely feedback for any purchase follow up or concerns.

Value-added Services

ISL Service Center shapes flat rolled steel into various forms for a wide range of industrial and commercial applications, ranging from profiles that form highly durable structures to custom-cut sheets, slitted coils, profiles and C & Z Purlins that serve as ready-to-use input for various purposes. These value-added services further enhance customer experience and reduce turnaround time for customers.



After Sales Support

ISL encourage open communication with customers and provides complete customer support through it regional and international sales teams. The support includes recording and handling of complains and resolving it through our dedicated Quality Management System and dedicated Complaint Handling Teams.

Customer Engagement

To create closer customer relationship, promote ISL brand loyalty and increase customer awareness regarding ISL's product and services, regular corner meetings are planned in different cities. During these events, the customers and end-users interact with ISL management and exchange their thoughts and opinions on several matters. A virtual tour is also conducted for fabricators through ISL corporate video and presentation.

The company also plan Iftars, Lunches and Dinners regularly for customers. During the year, ISL Sales teams distribute various giveaways among the customers and consumers.

ISL Customer Portal

At ISL, we are committed to providing a seamless customer experience and value to our customers. This Portal is also a major step towards providing a seamless experience and value to our customers by providing them convenience, while digitalizing the processes of our business.

ISL Customer Portal is a self-service option, which provide customers a single point of access to products, ledger, and other transactional information.

It is designed as a personalized and secure interface, protected by username and password. Through this application, ISL customers can easily book orders, view their ledgers, and conduct several functions from the comfort of their offices and homes, through their computer systems or smartphones. This portal gives them complete snapshot and access to their order related and transactional information in real time.

The portal can be easily accessed through a secure weblink.



International Expos and Exhibitions

Pakistan Pavilion at Dubai Expo 2020

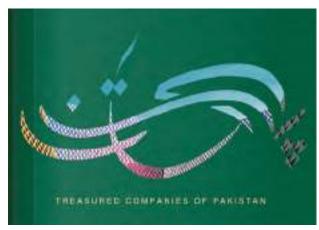


The Dubai Expo 2020 kicked off on October 1, 2021, and ended on March 31, 2022. At the sprawling Expo 2020 Dubai, the Pakistan pavilion at the Dubai Expo 2020 was one of the busiest pavilions of the mega event. Themed as 'Pakistan: The Hidden Treasure', the pavilion cost \$28.72 million to build and spreads across 35,000 square feet. This global cultural event was an excellent opportunity for Pakistan to demonstrate its incredible potential.

International Steels Limited co-sponsored this grand expo. The company was also featured in Pakistan Pavilion's official coffee table book, "Treasured Companies of Pakistan."









2nd Pakistan-Africa Trade Development Expo and Conference in Lagos, Nigeria

Ministry of Commerce in collaboration with the Trade Development Authority of Pakistan (TDAP) held 2nd Pakistan-Africa Trade Development Conference (PATDC) in Lagos, Nigeria. Under the umbrella of Amir S. Chinoy Group, International Steels Limited participated in the 2nd Pakistan Africa Trade Conference, held on November 24 to 25, 2021.



The conference was attended by prominent Pakistanis from diverse business and trade segments including surgical instruments, chemicals, tractors, agriculture machinery, cosmetics, IT services, sports goods, pharmaceuticals, food, electronics and engineering goods. Business and official delegates from the ECOWAS member states also attended the conference and single country exhibition.

Project Qatar, Doha

In June 2022, International Steels Limited participated in Project Qatar in Doha, meeting potential partners from across Qatar and from other countries.



Domestic Exhibitions and Conferences

HVACR Expo, Lahore

ISL exhibited in HVACR Expo, Lahore from June 9 to 11, 2022. HVACR Expo is the largest dedicated HVACR trade exhibition in Pakistan.









ISL Fabricators' Conference 2021-22

During the FY 2021-22, ISL Marketing Department, in collaboration of regional sales teams, continued the initiative of planning and organizing the regional corner meetings and conference for ISL's fabricators (end-users). To date, ISL has successfully organized three corner meetings in the densely populated business hubs of Multan, Lahore and Rawalpindi. The success of these meetings has led us to turn them into recurring customer events.

Lahore Fabricators' Conference:







Rawalpindi Fabricators' Conference:



SHAREHOLDERS

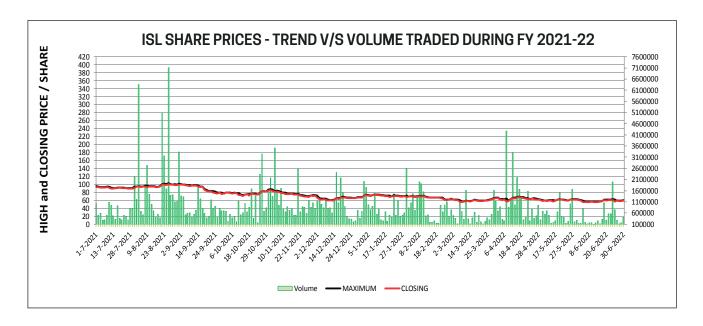
ISL aspires to be a model corporate citizen, by upholding and creating value for our shareholders. To ensure fair returns to our shareholders, our teams work hard to ensure maximum value is generated for our shareholders.

Quarterly and Annual Reports

The company prepares and disseminates periodic performance reports in compliance with the law. These reports provide an accurate and detailed insight into company's performance, challenges, and the outlook for the future.

Board of Directors

International Steels Limited's Board, that was elected in 2019, comprises of distinguished professionals coming from a diverse background. The board's strategic direction for the company guides the management on industry best practices, that leads to value creation for the shareholders.



Optimising resources and focusing on green practices



ISL aspires to be a carbon negative organization by maintaining sustainable operations and continually making improvements to our products and processes to minimise our environmental footprint.

Steel is integral for infrastructure building and plays a key role in economic development and nation-building. However, steelmaking is a resource-intensive process and creates environmental impact in form of emissions and effluents.

Driven by the **Clean, Lean and Green** approach towards responsible and sustainable manufacturing, we are always striving to keep our operations as environment-friendly as possible.

We are committed to using the most efficient production routes, minimising waste generation and mitigating the impact of our operations. ISL has fully functional in-house effluent treatment systems, reverse osmosis, acid regeneration, and co-generation power plants. Recently, the company has also installed an incinerator to safely dispose of gaseous wastes that result from manufacturing processes.

COMMUNITY

At ISL, we seek to address some of the challenges that our society faces. Being a large-scale industrial manufacturer, we have been striving to play our role as an enabler and facilitator of human development through our operations.

Our corporate culture is driven by the inclinations of our founder, Mr. Amir S. Chinoy, towards being a staunch supporter of the local community. ISL makes its donations regularly to charitable causes either directly or through the Amir Sultan Chinoy Foundation (ASCF).

Policy	Donation
Donation Policy	ISL donates atleast 1.5 % of its profits after tax, towards social uplift and community welfare activities every year.
Total Amount of Donations in FY 2021-22	Rs. 86 Million

THE AMIR SULTAN CHINOY FOUNDATION

The Amir Sultan Chinoy Foundation is one of the oldest endowment institutions in Pakistan. It was established in 1968 by the name of "The Friendship Foundation" by Amir Sultan Chinoy according to the wishes of his father Sir Sultan Mehrally Chinoy. In 1980, the foundation was renamed as the Amir Sultan Chinoy Foundation. to this day the foundation continues to operate in line with the vision of Amir Sultan Chinoy who established the foundation for the advancement of education, learning, and industry in all its branches.

Presently, ISL continues to contribute to the Amir Sultan Chinoy foundation (ASCF) which is mandated to focus on education, health and social uplift.

Education

Our group believes that if healthcare is the foundation of life, then education is the essential building block for a prosperous life. Within our donation policy, we ensure to support the underprivileged segments, in education and arts programs. Through our various programs in the last decade, over 11,000 children have gained a higher quality of education.



The Citizen Foundation (TCF) Rahbar Mentorship Program

ISL regularly participates in the "TCF Rahbar Program".

Rahbar is a youth mentoring program and every year, ISL employees voluntarily participate in it. The program allow employees to act as physical mentors for students and to guide them towards becoming good citizens and to motivate them to always strive for the best. The vision of the Rahbar program is "to sow the seed of positive thought process and leave the students with some food for thought".

Vocational Training

ISL continues to support vocational training institutions as we believe that the future of the country lies in skill development of the vast population, which contributes to the country's growth in the overall.

ISL support Hunar Foundation, which is a leading vocational training institution of the country and seeks to develop skills in people, that helps them in developing a stable livelihood.

Besides skill development, ISL facilitates learning through study tours and visits to impart first-hand knowledge about a high-tech industrial complex.

Amphitheatre at the IBA main campus

The Group sponsored the Amir S. Chinoy Amphitheatre at the IBA main campus student's center.

Karachi Boat Club - Interschool Regatta

Every year, ISL sponsors Annual Interschool Regatta 2022, which is organized by the Karachi Boat Club. Students and athletes from various schools participate in this event.

TEDxIBA, Karachi

In October 2021, ISL was one of the sponsors of TEDxIBA. Organized by IBA, this event featured multiple speakers who shared their inspirational journeys.



ENVIRONMENTAL RESPONSIBILITY

ISL is conscious of the ways our business activities can potentially impact the environment. Recognizing access to water and basic resources as a fundamental human right, the company takes various measures to reduce its impact on the environment. As Pakistan faces energy and clean water scarcity issues, we believe that our most direct and visible influence come from our environmental efficiencies.

Although our raw materials, steel and zinc does not have a direct impact on environment, we believe in minimizing impact to the environment as a result of our operations. Most of the technologies and equipment in our operations are environmentally safe and compliant with international and national norms.

Environmental aspects are taken into consideration by us and are included in all our project costing and purchase processes. Furthermore, all future investments are preceded by an environmental impact assessment.

Driven by the Clean, Lean and Green Approach, ISL strives to continuously adopt environment-friendly practices during its manufacturing processes. While embracing sustainable technologies, ISL strives to minimize its environmental impact though effective resource utilization, waste reduction and recycling of resources, as frequently as possible.

Effluent and Sewage Water Treatment

ISL's effluent treatment plant collects, neutralizes and filters the entire solvent-based waste generated during the manufacturing process, making it usable again. The reverse osmosis system generates clean water to meet ISL's industrial needs without relying too much on the city's main water supply system.

The sewage treatment plant recycles the water used at the factory premises and is then utilized to water plants and vegetation present in the factory premises.

Emission Control

The company has installed an incinerator at the color coating line, which neutralize the fumes released in the atmosphere.



Waste Heat Utilization

ISL recovers significant amount of waste heat generated from operations and utilizes it in various production operations and powers a Steam Turbine to generate additional electricity. The heat absorption chillers generate chilled water for air-conditioning, whereas, steam boiler uses waste heat from exhaust gases to generate steam.

In-house Co-generation Power Plant

ISL has installed a natural gas burning on-grid power plant with eight generators which produce 19 MW of power by co-generation, meeting the needs of ISL's steel complex and supplying surplus electricity to the Grid.

Acid Regeneration Plant (ARP)

The pickling line utilizes a large amount of Hydrochloric acid (HCI) to remove surface impurities from hot rolled coils. Direct disposal of the acid contaminated water poses threat to the environment, therefore ISL's Acid Regeneration Plant (ARP) recycles and reconditions Hydrochloric acid from the pickling line, making 98% of the acid reusable.

Plantation and Beach Cleaning Drives

With the impact that global warming has on the world now, ISL employees also regularly participate in cleaning drives along coastlines. In past, ISL has also partnered with WWF Pakistan to plant eleven hundred mangrove trees along in Karachi to help reduce the impact of flooding.

Healthcare

As a responsible corporate citizen, we recognize that there are limitations for underprivileged members of society and their reach to quality healthcare in Pakistan. Our donation policy supports the provision of health care in areas of need and the funding healthcare institutions.

The Group makes substantial contributions to a permanent endowment fund at the Aga Khan University Hospital in Karachi "The Amir Sultan Chinoy Chair".



ISL World Environment Day Conference 2022

To celebrate International World Environment Day 2022, ISL HSE and Marketing department held a conference to discuss the significance of protecting the world by playing our roles as individuals and corporate entities to make our planet a better place for our future generations. The theme, Only One Earth, elaborated that our present choices and actions have a massive impact on environment and taking sustainable actions today ensures that we make ethical choices to shape a safe and livable future. To encourage employees to make a difference this day, plant saplings were distributed with planting and care instructions.

























Awards and Recognition

PSX - The Top 25 Companies Awards

Every year, the Exchange acknowledges and recognizes the performance of the Pakistan's top companies on the basis of their excellent financial and managerial performance. In March 2022, Pakistan Stock Exchange Limited announced the names of the top 25 companies for the year 2020, and ISL was ranked among them.



14th NFEH's CSR Awards 2022

14th NFEH's International Corporate Social Responsibility Awards 2022 was organized by National Forum for Health and Environment (NFEH) on Thursday, February 24, 2022 at Serena Hotel, Islamabad.

A number of top-tier companies participated in this competition. Like the previous year, International Steels Limited participated and won the 14th CSR award in the categories of :

- Community Development and Services
- Education and Scholarship
- Sports & Recreational Activities

Mr. Tallat Bashir, General Manager - ISL, received the award on behalf of International Steels.



36th Corporate Excellence Award

In October 2021, ISL was recognized for the 36th Corporate Excellence Award by the Management Association of Pakistan. The Corporate Excellence Awards were instituted by MAP in 1982 with the aim to recognize and honor companies demonstrating outstanding performance, progress and enlightened management practices.



44th FPCCI Export Awards

ISL strives to make Pakistan known globally as a source of high-quality flat steel, exporting its products to more than 30 countries. ISL was ranked among the top 50 exporters of Pakistan in the year 2019-20.

Mr. Yousuf Husain Mirza, CEO of ISL, received the Best Export Performance Award at the FPCCI Export Awards for the year 2019-20 from the President of Pakistan, His Excellence Dr. Arif Alvi, on Wednesday, Sep 29, 2021, in Islamabad.



Corporate **Governance**



BOARD OF DIRECTORS' PROFILE

Dr. Amjad Waheed, CFA Independent Director Since: September 25, 2019

Dr. Amjad Waheed holds a Doctorate in Business Administration with a major in Investments and Finance from Southern Illinois University, USA and is also a Chartered Financial Analyst (CFA). Since inception of the company (seventeen years ago), Dr. Amjad Waheed is the CEO of NBP Fund Management Limited (NBP Funds), which is a subsidiary of National Bank of Pakistan with Baltoro Growth Fund as the other joint venture partner. NBP Funds is presently managing 26 mutual funds, 6 pension sub-funds and several Advisory portfolios. Total assets under management of NBP Funds are presently around Rs.192 billion (as of 30th June 2022). NBP Funds is one of the largest and highest rated Asset Management Company in Pakistan.

Before joining NBP Funds, Dr. Amjad was Head of Equity Mutual Funds and Portfolios at Riyadh Bank, Saudi Arabia, for about five years where he was managing USD 7.5 billion invested in 22 mutual funds. Prior to that he was Head of Investments at NIT, and Chief Operation Officer of FC-ABN AMRO Equities for several years.

Before moving back to Pakistan, Dr. Amjad Waheed was Assistant Professor of Finance at Tennessee State University, USA and he has published several articles in top journals of the world such as Journal of Banking and Finance and Financial Management.

Dr. Amjad Waheed has served or is serving on the boards of various companies including Siemens (Pakistan), Nishat Mills, PICIC, Askari Bank, Millat Tractors, Fauji Fertilizer, Pakistan Tobacco, Mehran Sugar, Management Association of Pakistan, LRBT, Banklslami, Gul Ahmed, Telenor Microfinance Bank, Institute of Financial Markets of Pakistan (IFMP) and International Steels. Dr. Amjad Waheed has also served as Chairman of Mutual Fund Association of Pakistan (MUFAP).

Dr. Amjad Waheed is a certified director from the Pakistan Institute of Corporate Governance (PICG).

Mr. Yousuf H. Mirza

Executive Director / Chief Executive Officer Since: August 14, 2015

Mr. Yousuf Husain Mirza was appointed as the Chief Executive Officer w.e.f. August 14, 2015. Before appointment as CEO, he was the Chief Operating Officer of International Steels Limited since August 2013. Prior to joining ISL, he served as Managing Director of Linde Pakistan Limited, and served in various senior management assignments with group subsidiaries in the Philippines, Malaysia and south east Asia for over ten years.

He has a graduate degree in Mechanical Engineering from NED University of Technology and also has an MBA from the Institute of Business Administration Karachi.

He has also attended management development programs at Said Business School, University of Oxford, INSEAD and at NanYang Technological University, Singapore. Currently he is Director of IIL Americas Inc., German Pakistan Chamber of Commerce and Industry and Employers Federation of Pakistan.

Mr. Babar Badat Independent Director Since: March 9, 2021

Mr. Babar Badat has more than 40 years of experience in the field of international logistics, transport management and shipping. He is the Managing Director of Transhold (Pvt) Ltd. and its other group companies.

He has also been on the Board of Port Qasim Authority and Pakistan Industrial Development Corporation. He is the Founder Chairman of PIFFA (Pakistan's National Logistics Association), and sits on the Executive Committee of ICC/PNC heading its International Road Transport and TIR Commission.

Mr. Badat has served as President of FIATA, the global Federation of International Logistics Associations based in Zurich and has been a member of UN's ESCAP Business Advisory Council. He has also been member of several national and international committees and advisory bodies on logistics, transport and shipping as well as trade and transport policy initiatives working closely over the years with the Federal Planning Commission, Ministry of Commerce etc., often representing Pakistan at international and regional forums.

Mr. Fuad Azim Hashimi

Non-Executive Director Since: September 25, 2019

Fuad Azim Hashimi is a fellow of the Institute of Chartered Accountants in England and Wales.

Through the leadership of the Pakistan Institute of Corporate Governance from 2007 until 2016, he played a key role to further corporate governance practices in Pakistan. He also headed the Pakistan Business Council's Centre of Excellence in Responsible Business (CERB) from 2016 until 2020 with a mission to bring about a change in mindsets of business and industry leaders towards long-term sustainable value creation. Currently, he is a member of the Private Sector Advisory Group of International Finance Corporation, World Bank Group.

His career over the earlier 43 years has provided him with a strong foundation in public accounting (he was a partner for 10 years in A. F. Ferguson and Co, a member firm of PricewaterhouseCoopers) as well as management of diversified business and commercial ventures, in Pakistan and abroad, ranging from banking, office automation and information technology to mutual funds.

Mr. Haroun Rashid

Non-Executive Director Since: April 5, 2021

Mr. Rashid is a Fellow Member of The Institute of Chartered Accountants in England and Wales, London. Besides holding this office, Mr Rashid has also served in senior positions of several prestigious organizations. He has vast international and local experience in banking, investments and industrial ventures to his credit and is a regular speaker at conferences worldwide. His extensive portfolio includes being Managing Director for ANZ Securities Asia Limited, Hong Kong and Kashmir Edible Oils Limited, Pakistan as well as Assistant Director at Grindlays Brandts Limited, London. He has held the position of Director at Financial Executives Institute, Hong Kong, Union Bank Limited, Pakistan and was a Director of Pakistan Cables Limited for nearly three decades.. He has also served as the Chairman of All Pakistan Solvent Extractors Association, Governor of Lahore General Hospital and on the Board of Public Procurement Regulatory Authority (PEPRA). He is serving as the Chairman of MCB-Arif Habib Saving and Investments Ltd

Mr. Kamal A. Chinoy Non-Executive Director Since: September 3, 2007

Mr. Kamal A. Chinoy is a graduate of the Wharton School, University of Pennsylvania, USA. He is a consummate professional with over 45 years of business experience and many corporate laurels to his name. He is the senior-most Director of IIL, having been appointed in 1984 and started his career with the Company in 1980.

He has also served as CEO of International Industries Ltd. He has extensive experience in the corporate and management world, having served successfully as CEO of Pakistan Cables for 27 years, while also having served on the Boards of many public listed companies, including Askari Bank Limited, Atlas Insurance Ltd, Atlas Power Limited, First International Investment Bank, ICI Pakistan Limited, NBP Fund Management Limited and Pakistan Security Printing Corporation.

He has been Chairman of the Aga Khan Foundation (Pakistan) and a Director of Pakistan Centre of Philanthropy. He has also served on the Undergraduate Admissions Committee of the Aga Khan University, the University of Pennsylvania Alumni Committee for Pakistan and on the Board of Governors of Army Burn Hall Institutions. Mr. Kamal A. Chinoy is a member of the Executive Committee of the International Chamber of Commerce (ICC) Pakistan and is a past president of the Management Association of Pakistan (MAP).

He is the current Chairman of Jubilee Life Insurance Company Ltd, IIL Americas Inc. and IIL Construction Solutions (Pvt.) Ltd., a Director at Pakistan Cables Ltd., IIL Australia Pty Ltd. and the Honorary Consul General for Cyprus in Sindh and Baluchistan.

Mr. Mustapha A. Chinoy

Non-Executive Director Since: August 15, 2018

Mr. Mustapha A. Chinoy is a B.Sc. in Economics from Wharton School of Finance, University of Pennsylvania, USA with majors in Industrial Management and Marketing. Upon return from United States, he took up the position of Marketing Manager at International Industries Ltd. He is currently the Chairman of International Industries Ltd., Pakistan Cables Ltd., Travel Solutions (Pvt.) Ltd., Global E-Commerce Services (Pvt.) Ltd., Global Reservation (Pvt.) Ltd. and Binary Vibes (Pvt.) Ltd. He is the Chief Executive of Intermark (Pvt.) Ltd. He has previously served on the Boards of Union Bank Ltd and Security Papers Ltd.

Ms. Nausheen Ahmad

Independent Director Since: September 25, 2019

Nausheen Ahmad is a Barrister at Law and an Advocate of the Sindh High Court. She practices corporate and commercial law in Karachi. She retired as General Counsel of ICI Pakistan Limited. Having spent over three decades in the corporate sector, Nausheen brings with her a tremendous amount of experience and expertise in the legal field, as well as proven leadership skills. She held the position of Legal Counsel at Pakistan Petroleum Ltd, Unilever Pakistan Ltd, and spent 12 years at HBL as the Company Secretary and Head of Legal.

Nausheen has an LLM degree from the University of London, an LLB from Kings College London, and a degree in the Philosophy of Religion from Kings College London. She was called to the Bar from the Honourable Society of Grays Inn London and is registered as an Advocate of the Sindh High Court. Nausheen was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK.

With her strong interest in Corporate Governance and Training, Nausheen has been undertaking Directors Certification trainings with Pakistan Institute of Corporate Governance (PICG), the Institute of Business Administration (IBA) and the Institute of Business Management (IoBM) formerly CBM.

Mr. Nihal Cassim Independent Director Since: September 25, 2019

Nihal Cassim is the Chief Executive of Ubiquity Trading Limited (previously Safeway Fund Limited), a former Asset Management Company that managed two equity funds listed on the PSX. Before taking up this position, he was engaged in his own corporate finance practice in Pakistan and concluded various assignments including advisory services to the sellers of Crescent Leasing and certain sellers of PICIC including NIT. In Canada, Nihal was Vice-President and Head of small-cap Investment Banking for First Associates' (now Blackmont Capital, a CI Financial Company) where he conducted several transactions in MandA, equity financing and corporate finance advisory. Prior to this, Nihal was responsible for the corporate development of TVX Gold Inc. and was involved in its \$4 billion merger with Kinross Gold. He began his investment banking career at HSBC Securities, Canada.

Nihal is an MBA (Finance and MIS) from McGill University. He is currently a Director on the Boards and Audit Committees of Ubiquity Trading Limited, The Organic Meat Company Limited and National Institutional Facilitation Technologies (Pvt) Limited (NIFT) and its subsidiaries. Nihal has served two terms as a director on the Board of Mutual Funds Association of Pakistan. He takes particular interest in facilitating the development of the capital market and the protection of minority shareholders through improvements to the regulatory framework.

Mr. Samir M. Chinoy

Executive Director / Chief Operating Officer Since: September 27, 2016

Mr. Samir M. Chinoy is the Chief Operating Officer of International Steels Ltd. He is a graduate of Babson College, USA with a Bachelor's of Science in Finance and Entrepreneurship and a minor in Human Communication. Prior to International Steels Limited Mr. Chinoy worked at Pakistan Cables, Deloitte and Touché, New York and Foothill Capital (A Wells Fargo Company), Boston. Mr. Chinoy has served on the management committee of Landhi Association of Trade and Industry and has held the position of Vice Chairman. In addition to being the Chairman, of the Amir Sultan Chinoy Foundation he is a director of Mirpurkhas Sugar Mills Ltd., Pakgen Power Ltd., Intermark (Pvt) Ltd., Haball (Pvt) Ltd. and IIL Australia Pty Ltd. Mr. Chinoy is a certified Director from the Pakistan Institute of Corporate Governance

Mr. Shuji Tsubota Non-Executive Director

Since: May 19, 2021

Mr. Shuji Tsubota is presently the General Manager at the International Steel Sheet Business Department of the Sumitomo Corporation, Japan, and has 28 years of diversified experience of working in Metal Product Business Divisions including International Trading of Steel Sheet and Tubular products for Automotive Industries and Safety and Total Quality Management. He also has international experience of working as Director Sales / Managing Director at the Steel Center Europe, Czech Republic.

LIST OF OTHER DIRECTORSHIPS

Name	Other Business occupation and directorship (if any)
Dr. Amjad Waheed	Bank Islami Pakistan Ltd. Gul Ahmed Textile Mills Ltd. Institute of Financial Markets of Pakistan (IFMP) NBP Fund Management Ltd. Telenor Microfinance Bank Hajj Fund (Steering Committee) The Layton Rahmatulla Benevolent Trust (LRBT) Sind Club (Finance and Audit Sub-Committee)
Mr. Babar Badat	Transhold (Pvt) Ltd. Sinotrans Logistics Pakistan (Pvt) Ltd. ECU Worldwide Pakistan (Pvt) Ltd. Intercargo (Pvt) Ltd. Bulk Transport Company (Pvt) Ltd. Core Integrated Solutions (Pvt) Ltd. Baye Business Development Co. (Pvt) Ltd.
Mr. Fuad Azim Hashimi	-
Mr. Haroun Rashid	MCB-Arif Habib Investment
Mr. Kamal A. Chinoy	International Industries Limited IIL Americas Inc. IIL Australia Pty Ltd. IIL Construction Solutions (Pvt) Ltd. Jubilee Life Insurance Company Ltd. Pakistan Business Council Pakistan Cables Ltd.
Mr. Mustapha A. Chinoy	International Industries Ltd. Pakistan Cables Ltd. Binary Vibes (Pvt) Ltd. Bridge Vue Solutions DMCC Global e-Commerce Services (Pvt) Ltd. Global Reservation (Pvt) Ltd. Global Travel Services Ltd. BVI Trave Tech Solutions Travel Solutions (Pvt) Ltd. Intermark (Pvt) Ltd.
Ms. Nausheen Ahmad	Altern Energy Ltd. Jubilee General Insurance Company Ltd. Meezan Bank Ltd.
Mr. Nihal Cassim	Image Systems Marketing (Pvt) Ltd. National Institutional Facilitation Technologies (Pvt) Ltd. NIFT Khazana eTrust (Pvt) Ltd. The Organic Meat Company Ltd. Ubiquity Trading Ltd.

Name	Other Business occupation and directorship (if any)
Mr. Shuji Tsubota	-
Mr. Yousuf H. Mirza	Employers Federation of Pakistan German Pakistan Chamber of Commerce & Industry IIL Americas Inc.
Mr. Samir M. Chinoy	Amir Sultan Chinoy Foundation Haball (Pvt) Ltd. IlL Australia Pty Ltd. Intermark (Pvt) Ltd. Landhi Association of Trade and Industries Mirpur Khas Sugar Mills Ltd. Pakgen Power Limited

GOVERNANCE FRAMEWORK

The main philosophy of business followed by the sponsors of International Steels Limited for the last many decades has been to create value for all stakeholders through fair and sound business practices, which translates into policies approved by the Board and implemented throughout the Company to enhance the economic and social values of all stakeholders of the company.

Our governance strategy is to ensure that the Company follows the direction defined by its core values, current regulatory framework and global best practices. Our approach towards corporate governance ensures ethical behavior, transparency and accountability in all that we do and to attaining a fair value for the shareholders.

Compliance Statement

The Board of Directors has, throughout the year 2021-22, complied with the Companies Act, 2017, Code of Corporate Governance Regulation 2019, Rule Book of the Pakistan Stock Exchange Limited and the Corporate Financial Reporting Framework of Securities and Exchange Commission of Pakistan (SECP).

The Directors confirm that that the following has been complied

- a) The financial statements have been prepared which fairly represent the state of affairs of the company, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.
- d) International financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored. The Internal Audit function is led by the Chief Internal Auditor supported by in house staff.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) There is no material departure from the best practices of corporate governance as per regulations

The Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience and skills in various professions, with the leadership and vision to provide oversight to the company.

The Board is headed by Dr. Amjad Waheed, an Independent Chairman. Out of 11 Directors, 4 are Independent Directors including 1 female Director. The current Board composition reflects a good mix of experience, diversity in backgrounds, skills and qualifications. All Directors have many years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present nine (9) Directors have attended the formal Directors Training Certificate programs while two Directors possess sufficient skills and experience of the Board room as described in the Code of Corporate Governance. In compliance with Clause 7 of the Companies (Code of Corporate Governance) Regulations, 2019 a female director was elected at the last election of the Board of Directors at the 12th annual general meeting in September 2019.

A digital interface is being used to update the Board of Directors by providing Companies Act, 2017, Companies (Code of Corporate Governance) Regulations, 2019, relevant portions of PSX Rule Book, the Company's Memorandum & Articles of Association and various policies and procedures.

To further its role of providing oversight and strategic guidelines to the company, the Board has formulated a Board Charter to define its role of strategic leadership and provide oversight to the management. The Board has constituted an Audit Committee and Human Resources & Remuneration Committee. The composition, role and responsibilities of the Committees are clearly defined in their respective Terms of References.

Annual Calendar and Agenda for Meetings

A meeting calendar is issued annually to reflect the dates planned for the Board, Audit and HR&R Committees. All the Board members are given appropriate documents through Diligent Board application in advance of each meeting which normally includes a detailed analysis of business and matters, where the Board will be required to make a decision or give its approval.

During the year 20201-22, the Board had five (5) meetings, out of which four (4) were held to review the quarterly results, a meeting was held to approve the budget for the ensuing year. The average attendance of the directors in Board meetings during the year was 89%.

Changes in the Board

At the 12th annual general meeting of the Company on September 25, 2019, eleven (11) Directors were elected for a term of three (3) years. During the year 2021-22, no casual vacancy was created.

Board Meetings Outside Pakistan

During the year 2021-22, no Board meetings were held outside Pakistan. However the directors living abroad were facilitated to attend meetings through video conferencing.

Roles and Responsibilities of the Chairman and Chief Executive

The Board of Directors provides the overall direction for the Company operations and provides oversight for various policies and monitors the management in the light of operational and financial plans. The roles of the Board and the Chief Executive Officer have been clearly defined where the Board is responsible for strategic guidance and providing directions for sustainable business.

The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and presides over all Board Meetings. The Chief Executive performs his duties under the powers vested by the law and the Board. He recommends and implements the business plans and is responsible for the overall control and operation of the Company.

Business Philosophy and Best Corporate Practices

We believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders, and the best practices of Corporate Governance to ensure success and better results for all stakeholders.

The Board Charter defines the scope of the Board's activities in setting the tone at the top, formulating strategies, and providing oversight to the management for sustainable growth of the business. The Board members actively participate in the meetings to guide the company's business activities, operational plans, review corporate operations and formulate and review all significant policies. The Board firmly adheres to the best ethical practices and fully recognizes its responsibilities for protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations. The Chairman ensures that the discussions held during the Board meetings and the consequent decisions arising are duly recorded and circulated to all the directors within fourteen (14) days. The CFO and the Company Secretary attended all the meetings of the Board as required by the Code of Corporate Governance. All periodic financial statements and other working papers for the consideration of the Board/ committees are circulated to the directors well before the meetings to give sufficient time to the directors to make decisions on an informed basis. This year the Board has held five (5) meetings, agendas of which were duly circulated through Diligent Board application at least a week before the meetings.

Timely Communication of Financial Results

The quarterly unaudited financial statements and the half yearly financial statements (with limited review by the Auditors) were duly circulated within thirty (30) days and sixty (60) days respectively along with the Directors' Report. Annual financial statements were authorized by the Board of Directors and communicated to the Pakistan Stock Exchange within fifty-six (56) days from the close of the financial year. Additionally, all important disclosures, including the financial statement, were also made on the Company's website to keep the stakeholders duly informed.

Board Evaluation

The Board of Directors has formulated a policy to evaluate its own performance, the salient features of which are as follows:

- 1. The Board Evaluation Methodology to be adopted as self-evaluation of the Board as a whole through an agreed questionnaire.
- 2. The evaluation exercise is to be carried out every year.
- 3. The evaluation system is designed to address critical importance and should include, but not be limited to, the following:
 - a) Appraising the basic organization of the Board of Directors
 - b) The effectiveness and efficiency of the operation of the Board and its sub-committees
 - c) Assess the Board's overall scope of responsibilities
 - d) Evaluate the flow of information; and
 - e) Validate the support and information provided by management
- The Board would review the results and suggest measures to improve the areas identified for improvement.

The Board is continuing its self-evaluation since many years and has identified areas for further improvement in line with global best practices. The main focus remained on strategic growth,

business opportunities, risk management, Board composition and providing oversight to the management.

Directors Remuneration Policy

A formal policy to review and approve the remuneration of non-executive directors is well in place. The Company believes in remunerating its non-executive directors and Chairman adequately to justify their continued quality guidance and contributions to the Company's objectives, good corporate governance, and sustained long-term value creation for shareholders while maintaining their independent status.

Risk Management

Risk management is crucial to any business, which includes identification and assessment of various risks followed by coordinated application of resources, to economically minimize, monitor, and control the impact of such risks and maximize the realization of opportunities. The management has developed a dynamic register covering financial and operational risks which are subject to periodical review.

Internal Control Framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well understood policies and procedures, and budgeting for review processes. All policies and control procedures are documented in manuals. The Board establishes corporate strategy and the Company's business objectives.

The Board Audit Committee has been entrusted with the main responsibility of Internal Controls. The Audit Committee receives the Audit reports from the Internal and External Auditors, and after detailed deliberations, and suggesting improvements, periodic reports are submitted to the Board of Directors. The Company places a high value on transparency, both internally and externally, in its corporate management. It focuses consistently on the implementation of efficient management practices to achieve clear and quantifiable commitments.

The Head of Internal Audit is being assisted by in house executives to carry out the Internal Control functions. The Management has placed an explicit internal control framework with clear structures, authority limits, and accountabilities, well defined policies, and detailed procedures, enabling the Audit Committee and the Board to have a clear understanding of risk areas and to place effective controls to mitigate these risks.

Disclosure of Conflict of Interest

The Company has taken measures to prevent conflict of

interests between directors, employees, and the Company. In this regard, a clear policy on conflict of interests is contained in the Code of Conduct duly approved by the Board of Directors which is placed on Page No. 31 As per the Code of Corporate Governance, the Company annually circulates the Code of Conduct and takes appropriate steps to disseminate it across all ranks in the Company. further, the Directors and key employees are reminded to abstain from insider trading of shares and to avoid dealing in shares during the close period.

Every director is required to bring to the attention of the board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested directors neither participate in discussions nor vote on such matters.

The complete details of all transactions with related parties are submitted to the Audit Committee who recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statement of the Company.

Corporate Social Responsibility

The Company has implemented comprehensive policies on "Occupational health, Safety and Environment" and "Corporate Social Responsibility and Sustainable Development" to meet its Corporate Social Responsibilities. The social and environmental responsibility reflects the company's recognition that there is a strong positive correlation between financial performance and corporate, social, and environmental responsibility. Social and environmental responsibility include the following:

- 1. Community investment and welfare schemes
- 2. Environmental protection measures
- 3. Occupational health and safety
- 4. Business ethics and anti corruption measures
- 5. Energy conservation
- 6. Industrial relations
- 7. National cause donations
- 8. Contribution to the national exchequer
- 9. Consumer protection measures

Our role as a corporate citizen is as important to us as the satisfaction of our customers and earning a fair return for our shareholders. We are committed to working for the betterment and prosperity of our stakeholders. Management has endeavoured to provide a safe and healthy work atmosphere by adopting practices and creating working conditions that are safe and healthy for our employees, vendors, contractors, suppliers, and customers.

We are committed to providing better education and health facilities to the less fortunate people especially to our stakeholders.

In line with our philosophy of CSR, we regularly maintain and support TCF school - Amir Sultan Chinoy Campus in the vicinity of Landhi along with offering need based scholarships to NED University students for a better tomorrow of our younger generation. We also support NGOs like SIUT, LRBT, Kidney Center. SINA Health, Education Welfare Trust and Amir Sultan Chinoy Foundation to help the deserving patients for their treatment.

Sustainability Measures

All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behaviour, and energy conservation are an integral part of our business model. We also believe that employees are most critical in progress, growth, and sustainability of any organization.

For more details, please refer to our "Sustainability Report" available on our website (www.isl.com.pk)

Engaging Stakeholders and Transparency

The development of stakeholders' relationships is of significant importance for the company. Building "stakeholder's engagement", compliance with regulatory requirements and terms and conditions are some of the main business principles by which we abide. To bring an accurate understanding of the company's management policies and business activities to all its stakeholders, it strives to make full disclosure of all material information to all stakeholders by various announcements on its website, to the Stock Exchange, and other sources available to help investors to make informed decisions. It encourages full participation of the members in the General Meetings by sending corporate results and sufficient information following the prescribed timeline to enable the shareholders to participate on an informed basis. While increasing management transparency, it aims to strengthen its relationships and trust with shareholders and investors. Our stakeholders include but are not limited to customers, employees, government, shareholders, suppliers, local communities and bankers.

Corporate Briefing Session

In compliance with the listing regulations of the Pakistan Stock Exchange, Company arranges corporate briefing session(s) annually to answer queries of the various stakeholders including investors and financial analysts.

A Corporate Briefing Session of the Company was held on Tuesday, October 5, 2021 at 11.00 a.m. through video conference to brief the investors/analyst/shareholders about the financial performance and future outlook of the Company.

Policy for Investor Grievances

The Company has an "Investor Relation Policy" that sets out the principles in providing the shareholders and prospective investors with the necessary information to make well informed investment decisions and to ensure a level playing field

Investor grievances and complaints are very important and are properly reviewed to minimize the recurrence of similar issues in the future.

The following principles are adhered to with regards to investor grievances:

- 1. Investors are treated fairly at all times.
- Complaints raised are dealt with in a courteous and timely manner.
- 3. Various modes of communication like email, telephone, meetings, and raising matters at the Annual General Meeting are available to investors to raise grievances.
- 4. Queries and complaints are treated fairly and efficiently.
- 5. Employees work in good faith and without prejudice towards the interest of the creditors.
- 6. Detailed company information regarding financial highlights, investor information, and other requisite information specified under the relevant regulations has been placed on the corporate website of the company which is updated on regular basis.

Safety of Company Records

International Steels Limited has a firm "Document and Record Control Policy" for establishing, approving, reviewing, changing, maintaining, replacing, retrieving, retaining, distributing, and administering control of all documents and data that relate to the Company and has taken the following concrete measures to ensure safety/security of the records and creating a paperless environment.

- All important documents such as minutes and proceedings of the Board and its sub-committees, Annual General Meetings, statutory certificates, title documents of the Company properties and all other important communications and records are digitally scanned and archived on secured Company servers.
- All important original documents are placed at a neutral, secured, and well-known vault.
- Record keeping of accounting books is being arranged at a separate location.

Human Resource Management Policies and Succession Planning

A comprehensive set of policies has been well implemented

to cover all aspects related to HR. The main focus of the policies is to train, motivate and retain valuable human assets for the future growth of the Company. To maintain continuity of the business operations, particularly at senior management and key managerial levels, a well-defined Succession Policy is in practice.

Information Technology Policy

A well-defined Information Technology Policy is in place to help achieve efficient and effective use of I.T. resources to establish priorities, strategy delivery, increase productivity and deliver the right services to users.

The I.T. Steering Committee comprising of CEO, COO, CFO, General Manager Manufacturing, and HOD I.T. are responsible for taking major I.T. decisions. The HOD I.T. is responsible for ensuring communication of I.T. security policies to all users of the company. Further, Internal Audit is responsible for monitoring compliance of I.T. policies. The Policy on I.T. is focused upon information security, human resource security, access control, information system acquisition development and maintenance, business continuity management, incident management, website, and ERP.

Whistleblowing Policy

We are committed to creating an atmosphere in which our people can freely communicate their concerns to their supervisors and functional heads. Our Whistleblowing Policy has been in place as ISL's whistle blowing' system to report any corrupt or unethical behaviour if employees feel that they are not able to use the normal management routes.

The Policy of Security Clearance of Foreign Directors

Committed to the well-being of our Board, the Company has in place various protocols and procedures to ensure the safety and security of its Board including foreign Directors.

Issues Raised at Last AGM

While general clarifications were sought by shareholders on company's published financial statements during the 14th Annual General Meeting of the Company held on September 29, 2021 no significant issues were raised.

Dividend to Shareholders

During the year, the Company paid an interim dividend of 20% per share to all eligible shareholders and the Board of Directors has recommended a final dividend of 45% per share, making a total of 65% in respect of the financial year ended June 30, 2022 which is subject to shareholders approval.

Pattern of Shareholding

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as of June 30, 2022 is placed on Page no. 178.

Yousuf Husain Mirza Chief Executive Officer

Dr. Amjad WaheedChairman

DIW. LI

Karachi: August 18, 2022

BOARD COMMITTEES

The Board is assisted by the following two committees to support its decision-making in their respective domains:

- A. Board Audit Committee (BAC) and
- B. Human Resources and Remuneration Committee (HR&RC):

A. Board Audit Committee

The Audit Committee comprises of the following:

1) Mr. Nihal Cassim

Chairman Independent Director

2) Mr. Fuad Azim Hashimi

Member Non-Executive Director

3) Mr. Kamal A. Chinoy

Member Non-Executive Director

4) Ms. Asema Tapal

Secretary Chief Internal Auditor

The Audit Committee comprises of three (3) Directors including one Independent Chairman. The Chief Financial Officer and the Chief Internal Auditor attend the BAC meetings, while the Chief Executive Officer is invited to attend the meetings.

The Audit Committee also separately meets the internal and external auditors at least once a year without the presence of the management. Meetings of the Audit Committee are held at least once every quarter, the recommendations of the Audit Committee are then submitted for approval of the financial results of the company by the Board. During the year 2021-22, the Audit Committee held four (4) meetings. The Chief Internal Auditor is the Secretary of the Board Audit Committee. The minutes of the meetings of the Audit Committee are provided to all members, directors, and the Chief Financial Officer.

The Chief Internal Auditor meets the Audit Committee without the presence of the management, at least once a year, to point out various risks, their intensity, and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and corrective actions are then implemented.

Terms of Reference of the Audit Committee

The Audit Committee is mainly responsible for reviewing the financial statements, ensuring proper internal controls to align operations in accordance with the mission, vision, and business plans, and monitoring compliance with all applicable laws and regulations and accounting and financial reporting standards.

The salient features of terms of reference of the Audit Committee are as follows:

- Recommending to the Board the appointment of internal and external auditors.
- Consideration of questions regarding resignation or removal of external auditors, audit fees and provision by the external auditors of any services to the company in addition to the audit of financial statements.
- Determination of appropriate measures to safeguard the company's assets.
- 4. Review of preliminary announcements of results prior to publication.
- 5. Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board, focusing on major judgmental areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with listing regulations and other statutory and regulatory requirements.
- Facilitating the external audit and discussion with external auditors on major observations arising from audit and any matter that the auditors may wish to highlight (without the presence of the management, where necessary).
- Review of the Management Letter issued by external auditors and the management's response thereto.
- 8. Ensuring coordination between the internal and external auditors of the company.
- Review of the scope and extent of internal audit and ensuring that the internal audit function is adequately resourced and placed within the organization.
- 10. Consideration of major findings of internal investigations and the management's response thereto
- 11. Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- 12. Review of company's statement on internal control systems prior to endorsement by the Board.
- 13. Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the Chief Executive and to consider remittance of any matter to the external

auditors or to any other external body.

- 14. Determination of compliance with relevant statutory requirements review of periodic financial statements and preliminary announcements results prior to the external communication and publication with view to highlight.
- 15. Monitoring compliance together with the external auditors and internal audit with the best practices of corporate governance and identification of significant violations such as fraud, corruption, and abuse of power thereof.
- 16. Consideration of any other issue or matter as may be assigned by the Board.
- 17. The Board Audit Committee has completed its independent evaluation.

B) Human Resources & Remuneration Committee

1) Ms. Nausheen Ahmad

Chairperson Independent Director

2) Mr. Babar Badat

Member Independent Director

3) Mr. Kamal A. Chinoy

Member Non-Executive Director

4) Mr. Mustapha A. Chinoy

Member Non-Executive Director

5) Mr. Yousuf H. Mirza

Ex-officio-Member Chief Executive Officer

6) Mr. Bilal Khawar

Secretary HOD Human Resources

The Committee comprises four (4) members. The Chairperson is an independent director. Meetings are conducted at least quarterly or at such other frequency as the Chairperson may determine. Head of Human Resources, is the Secretary of the Committee. The minutes of the meetings of the BHR&RC meetings are provided to all members and Directors. The Committee held four (4) meetings during the year.

Terms of Reference of Human Resources & Remuneration Committee

The Committee defines the HR policy framework and makes recommendations to the Board in the evaluation and approval of employee benefit plans and succession planning.

The salient features of the Terms of Reference of HR&RC are as follows:

- 1. Major HR Policy/frameworks including compensation.
- 2. Overall organizational structure.
- 3. Organization model and periodically seek the assessment of the same.
- Succession planning for key executives, including the CFO
- Recruitment, remuneration, and evaluation of the CEO and his direct reports, including CFO, Group Chief Internal Auditor, and the Company Secretary.
- 6. The CEO, being a member of the HR&RC shall not be a part of Committee meetings if his/her compensation/performance is being discussed/evaluated.
- 7. Compensation of the non-executive directors.
- 8. Board Remuneration Policy and Procedure.
- Board Evaluation Policy and Procedure for the Board as a whole and for the Individual Directors.

DIRECTORS' PARTICIPATION IN BOARD AND SUB COMMITTEE MEETINGS

Board / Sub Committee	Board Meetings	Audit Committee Meeting	Human Resources & Remuneration Committee
Meetings held during FY 2021-22	5	4	4
Dr. Amjad Waheed	5/5		
Mr. Babar Badat	3/5		3/4
Mr. Fuad Azim Hashimi	2/5	2/4	
Mr. Haroun Rashid	5/5		
Mr. Kamal A. Chinoy *	4/5	3/4	1/2
Mr. Mustapha A. Chinoy	5/5		4/4
Ms. Nausheen Ahmad	5/5		4/4
Mr. Nihal Cassim	5/5	4/4	
Mr. Shuji Tsubota	5/5		
Mr. Yousuf H. Mirza	5/5		4/4
Mr. Samir M. Chinoy	5/5		

^{*} Added as a member of HR&RC during the year.

MANAGEMENT TEAM

Good corporate governance is the basis of our decision making and control process. The management's decision making is based on long term strategic objectives in which the board, provides strategic oversight and guidance to the management and monitors the performance of the company regarding business objectives, shareholders interests and regulatory compliance.

The management committee is headed by the Chief Executive Officer and the functional heads are:

1.	Mr. Yousuf H. Mirza	Chief Executive Officer
2.	Mr. Samir M. Chinoy	Chief Operating Officer
3.	Mr. Mujtaba Hussain	Chief Financial Officer
4.	Mr. Bilal Khawar	Head of Human Resources
5.	Mr. Zafar Majeed	Head of Manufacturing
6.	Mr. Ibrahim Memon	Head of Information Technology
7.	Mr. Mustafa Khan	General Manager Sales and Marketing
8.	Mr. Yasir Sohail	General Manager Production
9.	Mr. M. Faheem	General Manager Service Center
10.	Mr. Mohammad Irfan Bhatti	Company Secretary and Head of Legal

Preparing people for a better future



The company's organizational culture is people centric.

It encourages diversity, inclusion, collaborative problem-solving, constant mechanism, ethical conduct and open communication on workplace.

ISL strives to create a professional and safe environment for everyone with keen focus on the wellbeing of its employees, mutual respect and **zero tolerance** for discrimination and harassment in any form.

We have a strong commitment towards our people, which is demonstrated through our industry-leading and well-recognized human resource management practices and a culture of working together.

A pioneer in progressive people practices, our aspiration is to be the employer of choice in the steel industry, taking care of the needs of a diverse workforce of officers, employees, and contract workers.

Our Occupational Health and Safety (OHS) practices are aimed at developing a culture of safety and care.

The company has invested more than **23,000 man hours** in cultivating and developing its human resources in various functions spanning from health safety, manufacturing, engineering, planning, product development to finance, sales and marketing.

REPORT OF THE BOARD AUDIT COMMITTEE ON ADHERENCE TO THE CODE OF CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2022 and reports that:

- 1. The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, the Company's Code of Conduct and Values and the international best practices of governance throughout the year.
- 2. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
- 3. Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the financial year ended June 30, 2022, which fairly present the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company for the year under review.
- 4. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Chairman and Directors' Reports. They acknowledge their responsibility for a true and fair presentation of the financial statements, the accuracy of reporting, compliance with regulations and applicable accounting standards, and establishment and maintenance of internal controls and systems of the Company.
- 5. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate, and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
- 6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
- 7. All direct and indirect trading in and holdings of the Company's shares by directors and executives or their spouses were notified in writing to the Company Secretary along with the price, the number of shares, form of shares, and nature of the transaction. All such transactions were disclosed at the PSX and reported to the Board of Directors.

INTERNAL AUDIT FUNCTION

- The Company's Internal Audit function is being led by the Chief Internal Auditor in compliance with the Code of Corporate
 Governance, who is assisted by in-house staff. The Chief Internal Auditor reports directly to the Chairman of the Board
 Audit Committee.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.
- 3. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and shareholders' wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.
- 4. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

- 1. The statutory auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2022 and shall retire on the conclusion of the 15th Annual General Meeting.
- 2. The final Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations 2019 and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
- 3. The audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
- 4. Being eligible for reappointment under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board Audit Committee recommends their reappointment for the financial year ending June 30, 2023 on terms and remuneration negotiated by the Chief Executive Officer.
- 5. As recommended by the Board of Directors, the management has acquired consent from M/s A.F Fergusons & Co., Chartered Accountants, eligible under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the listing regulations of the Pakistan Stock Exchange for the financial year ending June 30, 2023 on terms and remuneration negotiated by the Chief Executive Officer.

Nihal Cassim

Chairman-Board Audit Committee

Karachi

August 15, 2022





INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL STEELS LIMITED

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Steels Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Chartered Accountants

Karachi

Dated: September 5, 2022

UDIN: CR202210073p7bzkGySD

which eco

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

International Steels Limited June 30, 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eleven (11) as per the following:

а	Male	Ten (10)
b	Female	One (1)

2. The composition of Board is as follow:

Category	Name(s)
Independent Directors	Dr. Amjad Waheed
	Mr. Babar Badat
	Mr. Nihal Cassim
Non-Executive Directors	Mr. Fuad Azim Hashimi
	Mr. Haroun Rashid
	Mr. Kamal A. Chinoy
	Mr. Mustapha A. Chinoy
	Mr. Shuji Tsubota
Executive Directors	Mr. Yousuf H. Mirza
	Mr. Samir M. Chinoy
Female Director (Independent Director)	Ms. Nausheen Ahmad

- 3. The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this company;
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

- 8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
- 9. The directors were apprised of their duties and responsibilities from time to time. All the Directors of the Company have completed or are exempted from the requirement of Director's Training program. In case of one foreign Director, the Company is in the process of obtaining confirmation from the Securities and Exchange Commission of Pakistan regarding the equivalency of his training from institution outside Pakistan.
- 10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- 12. The Board has formed the following committees comprising of the following members:

a) Board Audit Committee

1. Mr. Nihal Cassim	Chairman	Independent Director
2. Mr. Fuad Azim Hashimi	Member	Non-Executive Director
3. Mr. Kamal A. Chinoy	Member	Non-Executive Director

b) Human Resources & Remuneration Committee

1.	Ms. Nausheen Ahmad	Chairperson	Independent Director
2.	Mr. Babar Badat	Member	Independent Director
3.	Mr. Kamal A. Chinoy	Member	Non-Executive Director
4.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
- 14. The frequency of meetings of the committees were as follows:

i. Board Audit Committee: Quarterly

ii. HR & Remuneration Committee: Quarterly or as and when needed

- 15. The Board has set up an effective Internal Audit function experienced for the purpose and are conversant with the policies and procedures of the Company;
- 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any director of the Company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

- 18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and.
- 19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

S.No.	Requirement	Explanation	Reg. No
1	All directors of a company shall attend its general meeting(s), (ordinary and extra-ordinary unless precluded from doing so due to any reasonable cause.	Nine (9) Directors attended the 14th Annual General Meeting of the Company. Mr. Kamal A. Chinoy and Mr. Samir M. Chinoy could not attend due to personal reasons.	10(6)
2	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not considered to be necessary.	29
3	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management matters of the Company.	30

On behalf of the Board

Yousuf H. Mirza

Chief Executive Officer International Steels Limited

Karachi: August 18, 2022

Dr. Amjad Waheed

PIL. LI

Chairman

International Steels Limited



FINANCIAL HIGHLIGHTS

Sales

Gross profit

Operating profit

Profit before tax

Profit after tax

Earning per shares - Baisc & Diluted (Rupees)

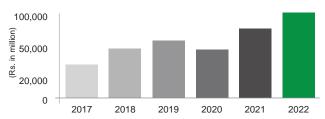
Shareholders equity

Property, Plant & Equipment

Book Value per shares (Rupees)

Business Growth

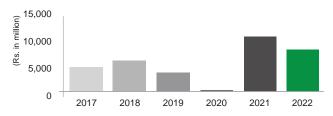
Sales Revenue



Sales revenue growth

30.99% Over 2021 22.1% CAGR over 6 years

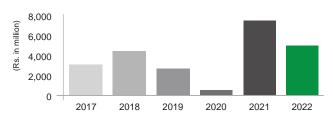
Profit Before Tax



Profit before tax

-22.3% Over 2021 11.7% CAGR over 6 years

Profit After Tax



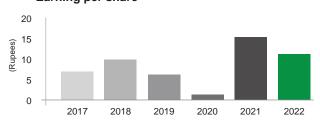
Profit after tax

-27.51% Over 2021 12.2% CAGR over 6 years



Shareholder Value Accretion

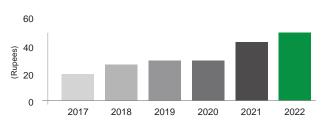
Earning per share



Earning per share growth

-27.51% Over 2021 12.2% CAGR over 6 years

Book Value Per Share



Book Value Per Share

14.34% Over 2021 20.3% CAGR over 6 years

Shareholder Equity



Shareholder equity growth

14.34% Over 2021 20.3% CAGR over 6 years

ANALYSIS OF FINANCIAL STATEMENTS

Statement Of Financial Position

Property, plant and equipment
Right-of-use assets
Intangible Assets
Other non current assets
Current assets
Total assets
Shareholders' equity
Non current liabilities
Current portion of long term financing
Short term borrowings

Other current liabilities

Total equity and liabilities

2022	2021	2020	2019	2018	2017	
(Rs. in '000)						
20,749,605	19,179,617	20,638,354	19,862,302	18,262,610	13,639,451	
63,725	19,318	49,377	-	-	-	
176,866	885	1,197	2,736	2,565	3,903	
100	100	100	100	100	100	
34,914,760	22,519,623	22,172,184	19,896,904	17,327,314	12,727,641	
55,905,056	41,719,543	42,861,212	39,762,042	35,592,589	26,371,095	
21,596,089	18,887,640	12,725,815	12,878,270	11,825,008	8,554,247	
5,095,864	6,474,761	6,568,651	8,597,759	8,476,513	5,101,271	
1,419,495	1,462,435	1,487,634	909,943	1,201,679	1,197,073	
17,359,553	6,796,345	11,520,404	10,191,219	8,462,310	5,039,236	
10,434,055	8,098,362	10,558,708	7,184,851	5,627,079	6,479,268	
55,905,056	41,719,543	42,861,212	39,762,042	35,592,589	26,371,095	

Vertical Analysis
Property, plant and equipment
Right-of-use assets
Intangible Assets
Other non current assets
Current assets
Total assets
Shareholders' equity
Non current liabilities
Current portion of long term financing
Short term borrowings
Other current liabilities
Total equity and liabilities

Percentage								
			<u> </u>					
37.1	46.0	48.2	50.0	51.3	51.7			
0.1	0.05	0.1	-	-	-			
0.3	0.0	0.0	0.0	0.0	0.0			
0.0	0.0	0.0	0.0	0.0	0.0			
62.5	54.0	51.7	50.0	48.7	48.3			
100.0	100.0	100.0	100.0	100.0	100.0			
38.6	45.3	29.7	32.4	33.2	32.4			
9.1	15.5	15.3	21.6	23.8	19.3			
2.5	3.5	3.5	2.3	3.4	4.5			
31.1	16.3	26.9	25.6	23.8	19.1			
18.7	19.4	24.6	18.1	15.8	24.6			
100.0	100.0	100.0	100.0	100.0	100.0			

Property, plant and equipment
Right-of-use assets
Intangible Assets
Other non current assets
Current assets
Total assets
Shareholders' equity
Non current liabilities
Current portion of long term financing
Short term borrowings
Other current liabilities
Total equity and liabilities

Horizontal Analysis

		Perce	ntage		
8.2	(7.1)	3.9	8.8	33.9	8.1
229.9	(60.9)	-	-	-	-
19,884.9	(26.1)	(56.3)	6.7	(34.3)	-
-	-	-	-	-	-
55.0	1.6	11.4	14.8	36.1	52.2
34.0	(2.7)	7.8	11.7	35.0	25.7
14.3	48.4	(1.2)	8.9	38.2	19.8
(21.3)	(1.4)	(23.6)	1.4	66.2	4.5
(2.9)	(1.7)	63.5	(24.3)	0.4	71.3
155.4	(41.0)	13.0	20.4	67.9	43.0
28.8	(23.3)	47.0	27.7	(13.2)	36.7
34.0	(2.7)	7.8	11.7	35.0	25.7

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Profit and Loss

Profit after taxation

	2022	2024	2020	2040	2018	2017
	2022	2021		2019 n '000)	2018	2017
Sales - Net	91,423,698	69,796,240	48,081,937	57,484,354	49,159,626	34,822,276
Cost of sales	(79,042,389)	(56,304,367)	(43,869,080)	(51,035,302)	(41,528,466)	(28,916,159)
Gross profit	12,381,309	13,491,873	4,212,857	6,449,052	7,631,160	5,906,117
Administrative, Selling and Distribution expenses	(1,951,436)	(1,424,515)	(1,157,145)	(986,231)	(719,689)	(548,670)
Other operating expenses	(1,307,510)	(1,276,659)	(334,257)	(533,801)	(661,595)	(424,951)
Other operating income	200,971	315,833	35,523	39,413	92,552	131,778
Operating Profit before finance costs	9,323,334	11,106,532	2,756,978	4,968,433	6,342,428	5,064,274
Finance costs	(1,322,584)	(811,931)	(2,314,807)	(1,289,315)	(539,116)	(455,500)
Profit before taxation	8,000,750	10,294,601	442,171	3,679,118	5,803,312	4,608,774
Taxation	(2,588,560)	(2,828,270)	52,680	(1,014,745)	(1,438,354)	(1,564,752)
Profit after taxation	5,412,190	7,466,331	494,851	2,664,373	4,364,958	3,044,022
Vertical Analysis				entage		
Sales - Net	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(86.5)	(80.7)	(91.2)	(88.8)	(84.5)	(83.0)
Gross profit	13.5	19.3	8.8	11.2	15.5	17.0
Administrative, Selling and Distribution expenses	(2.1)	(2.0)	` ,	(1.7)	(1.5)	(1.6)
Other operating expenses	(1.4)	(1.8)	` ,	(0.9)	(1.3)	(1.2)
Other operating income	0.2	0.5	0.1	0.1	0.2	0.4
Operating Profit before finance costs	10.2	15.9	5.7	8.6	12.9	14.5
Finance costs	(1.4)	(1.2)	(4.8)	(2.2)	(1.1)	(1.3)
Profit before taxation	8.8	14.7	0.9	6.4	11.8	13.2
Taxation	(2.8)	(4.1)		(1.8)	(2.9)	(4.5)
Profit after taxation	5.9	10.7	1.0	4.6	8.9	8.7
Horizontal Analysis			Perce	entage		
Sales - Net	31.0	45.2	(16.4)	16.9	41.2	64.6
Cost of sales	40.4	28.3	(14.0)	22.9	43.6	58.5
Gross profit	(8.2)	220.3	(34.7)	(15.5)	29.2	103.2
Administrative, Selling and Distribution expenses	37.0	23.1	17.3	37.0	31.2	49.0
Other operating expenses	2.4	281.9	(37.4)	(19.3)	55.7	60.6
Other operating income	(36.4)	789.1	(9.9)	(57.4)	(29.8)	16.9
Operating Profit before finance costs	(16.1)	302.9	(44.5)	(21.7)	25.2	112.2
Finance costs	62.9	(64.9)	79.5	139.2	18.4	(37.7)
Profit before taxation	(22.3)	2,228.2	(88.0)	(36.6)	25.9	178.6
Taxation	(8.5)	(5,468.8)	(105.2)	(29.5)	(8.1)	171.9
- 40 A						

(27.5)

1,408.8

(81.4)

(39.0)

43.4

182.1

ANALYSIS OF FINANCIAL STATEMENTS

Statement Of Cash Flows

Net cash (used in) / generated from operating activities

Net cash used in from investing activities

Net cash (used in) / generated from financing activities

Net (decrease) / increase in cash and cash equivalents

	2022	2021	2020	2019	2018	2017			
	(Rs. in '000)								
(3,	,453,241)	8,043,275	1,976,287	3,486,111	293,548	1,568,756			
(1	,711,067)	(483,513)	(2,180,932)	(2,257,935)	(5,470,778)	(1,787,168)			
(2,	,082,025)	(1,275,015)	(2,132,037)	(2,384,558)	2,479,575	505,738			
(7,	,246,333)	6,284,747	(2,336,682)	(1,156,382)	(2,697,655)	287,326			

Vertical Analysis

Net cash (used in) / generated from operating activities

Net cash used in from investing activities

Net cash (used in) / generated from financing activities

Net (decrease) / increase in cash and cash equivalents

Percentage								
(47.7)	128.0	84.5	301.5	10.9	546.0			
(23.6)	(7.7)	(96.3)	(195.3)	(202.8)	(622.0)			
(28.7)	(20.3)	(91.2)	(206.2)	91.9	176.0			
(100.0)	100.0	(100.0)	(100.0)	(100.0)	100.0			

Horizontal Analysis

Net cash (used in) / generated from operating activities

Net cash used in from investing activities

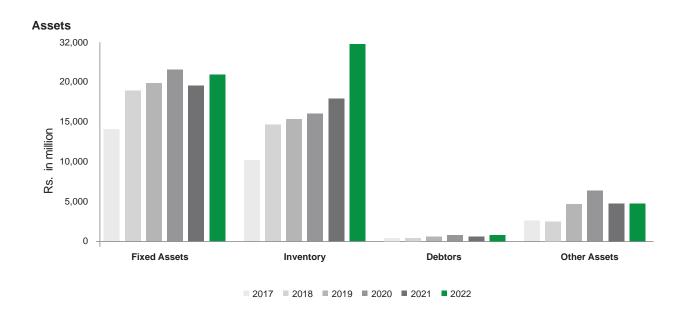
Net cash (used in) / generated from financing activities

Net (decrease) / increase in cash and cash equivalents

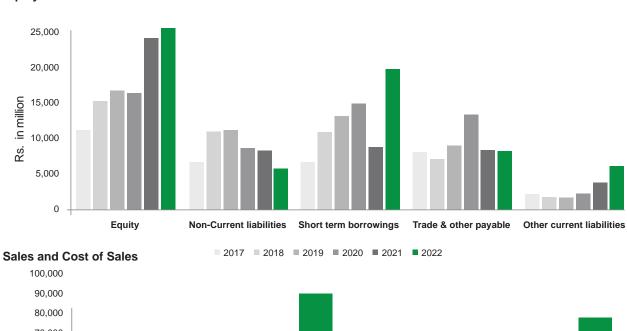
Percentage								
(142.9)	307.0	(43.3)	1,087.6	(81.3)	(45.4)			
(253.9)	77.8	3.0	58.7	(206.1)	(272.8)			
(63.3)	40.2	10.6	(196.2)	390.3	110.0			
(215.3)	369.0	(102.1)	57.1	(1,038.9)	110.9			

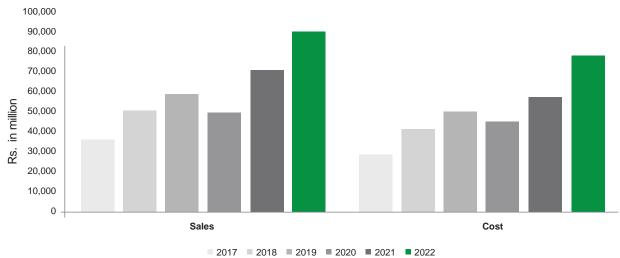


ANALYSIS OF FINANCIAL STATEMENTS

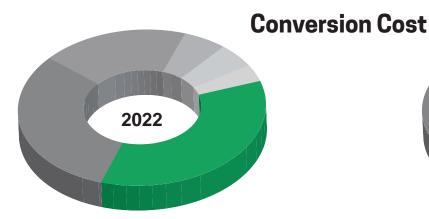


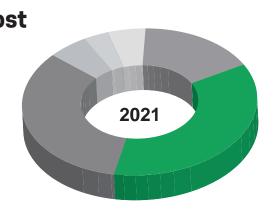
Equity & Liabilities



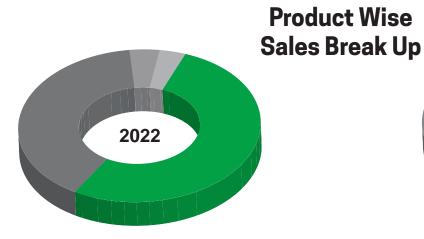


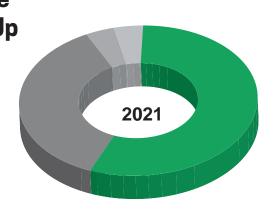
KEY FINANCIAL INDICATORS





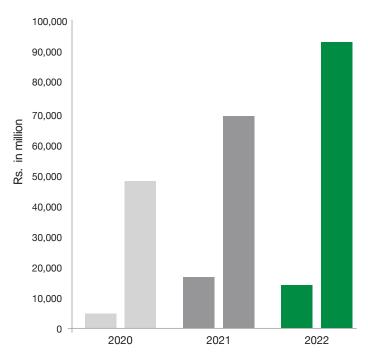
	2022	2021
	(Rs. in	million)
Cleatricity, good and water	1 522	1 510
Electricity, gas and water	1,533	1,513
Depreciation and amortisation	1,359	1,390
Salaries, wages and benefits	830	690
Others	249	218
Stores and spares consumed with provision	224	230
Repairs and maintenance	154	141
Total	4,349	4,182





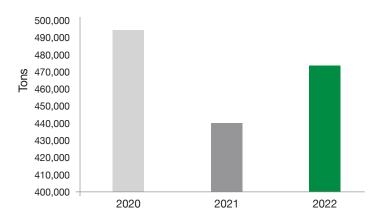
	2022	2021	
	(Rs. in million)		
Galvanized Coils	48,188	39,046	
Cold rolled Coils	36,356	25,255	
Colored Coils	3,648	2,659	
Bi-Products	3,232	2,836	
Total	91,424	69,796	

KEY FINANCIAL INDICATORS



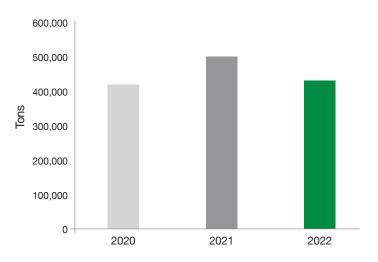
Net Sales / Gross Profit

	2020	2021	2022
		Rs in million	
Net Sales	48,082	69,796	91,424
Gross Profit	4,213	13,492	12,381



Raw material purchases

	2020	2021	2022
Tons	494,157	438,484	473,244



Production

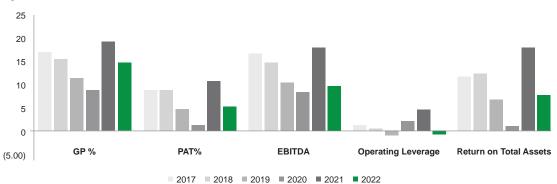
	2020	2021	2022
Tons	424.355	498.037	441.013

SIX YEARS AT A GLANCE

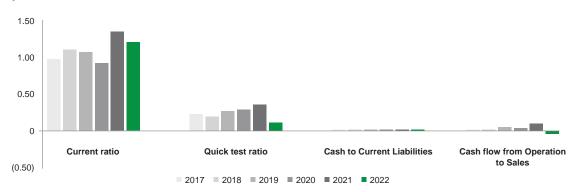
	2022	2021	2020	2019	2018	2017
KEY INDICATORS						
Profitability Ratios						
Gross profit ratio %	13.54	19.33	8.76	11.22	15.52	16.96
Profit before tax to sales %		14.75	0.92	6.40	11.81	13.24
Profit after tax to sales %	5.92	10.70	1.03	4.63	8.88	8.74
EBITDA Margin to Sales %		17.96	8.31	10.49	14.62	16.75
Operating Leverage %		4.74	2.06	(0.95)	0.56	1.37
Return on Shareholders' Equity %		39.53	3.89	20.69	36.91	35.58
Operating profit on Capital Employed %		43.79	14.29	23.13	31.24	39.23
Return on Total Assets %	9.68	17.90	1.15	6.70	12.26	11.54
Liquidity Ratios						
Current ratio times	1.20	1.38	0.94	1.09	1.13	1.00
Quick / Acid test ratio times		0.33	0.30	0.29	0.21	0.25
Cash to Current Liabilities	0.010	0.018	0.005	0.022	0.007	0.004
Cash flow from Operations to Sales	(0.04)	0.12	0.04	0.06	0.01	0.05
Cash flow from operation to capital expenditures	(1.88)	15.62	0.89	1.53	0.05	0.87
Free cash flow to the firm Rs. millions	(-, ,	6,247	3,230	2,006	(5,308)	(1,360)
Free cash flow to the equity holders Rs. millions	(6,826)	4,246	(188)	487	(2,496)	(1,570)
Turnover Ratios						
Inventory turnover ratio times	2.62	3.30	2.90	3.32	2.83	2.92
Debtor turnover ratio (KE) times		22.73	17.85	12.21	15.08	11.51
Debtor turnover (KE) days		16	20	30	24	32
Debtor turnover ratio times		71.37	51.04	76.00	69.79	54.20
Creditor turnover ratio times		15.88 1.67	11.38 1.12	22.41 1.45	13.59	7.51 1.32
Total assets turnover ratio times Fixed assets turnover ratio times		3.64	2.32	2.89	1.38 2.69	2.55
Capital employed turnover ratio times		2.75	2.49	2.73	2.35	2.47
Operating Cycle						
Inventory turnover days	139	111	126	110	129	125
Debtor turnover days	4	5	7	5	5	7
Creditor turnover days		23	32	16	27	49
Operating cycle days	138	93	101	98	107	83
Investment / Market Ratios						
Earnings per share - basic and diluted Rs.	12.44	17.16	1.14	6.12	10.03	7.00
Price earning ratio times		5.44	45.31	6.49	10.14	18.27
Market value per share at the end of the year Rs. Market value per share high during the year Rs.	59.36 103.25	93.41 102.50	51.65 62.28	39.71 116.50	101.70 149.75	127.89 167.80
Market value per share high during the year Rs. Market value per share low during the year Rs.	53.10	51.95	27.61	33.94	86.00	35.89
Break-up value per share - Including Revaluation Surplus Rs.	49.65	43.42	29.25	29.61	27.18	19.66
Break-up value per share - Excluding Revaluation Surplus Rs.	44.10	40.62	26.37	26.64	25.02	17.47
Price to book ratio times		2.15	1.77	1.34	3.74	6.50
Cash Dividend %	65.00	100.00	-	30.00	45.00	35.00
Dividend Yield %	10.95	10.71	-	7.55	4.42	2.74
Dividend Cover times		1.72	-	2.04	2.23	2.00
Dividend Payout %		58.28	-	49.02	44.85	50.00
Dividend per share Rs.	6.50	10.00	-	3.00	4.50	3.50
Capital Structure Ratios						
Financial leverage ratio %	1.51	1.10	2.25	1.91	1.39	1.15
Total Debt : Equity ratio %		39:61	59:41	58:42	58:42	54:46
Net assets per share Rs.	49.65	43.42	29.25	29.61	27.18	19.66
Interest cover times		14.79	1.21	3.89	11.76	11.32
Employee Productivity ratios						
Production per Employee Tons	626	726	604	825	812	899
Revenue per Employee Rs.'000'	129,679	101,744	68,493	81,193	84,758	67,485

SIX YEARS AT A GLANCE

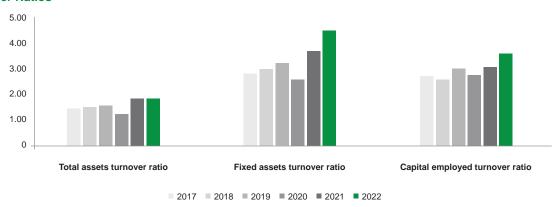
Profitability Ratios



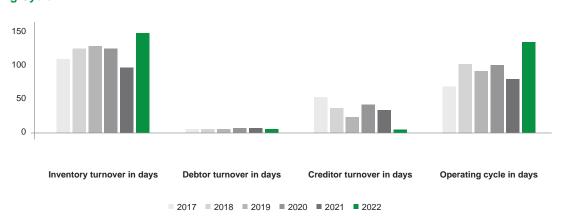
Liquidity Ratios



Turnover Ratios



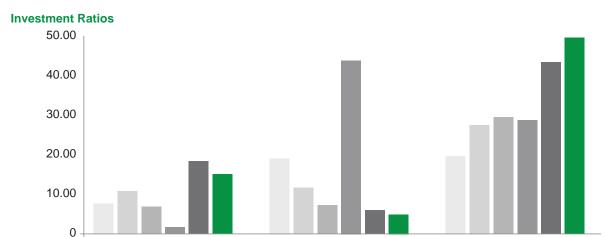
Operating Cycle



Break-up value per share

SIX YEARS AT A GLANCE

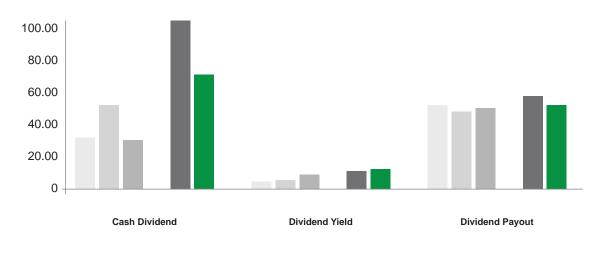
EPS



■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022

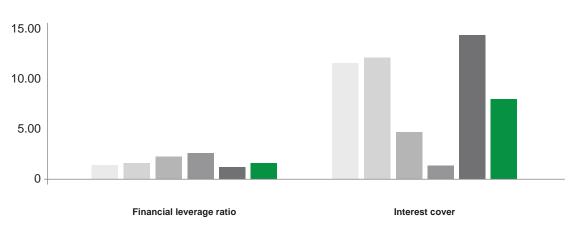
Price earning ratio

Dividend Ratios



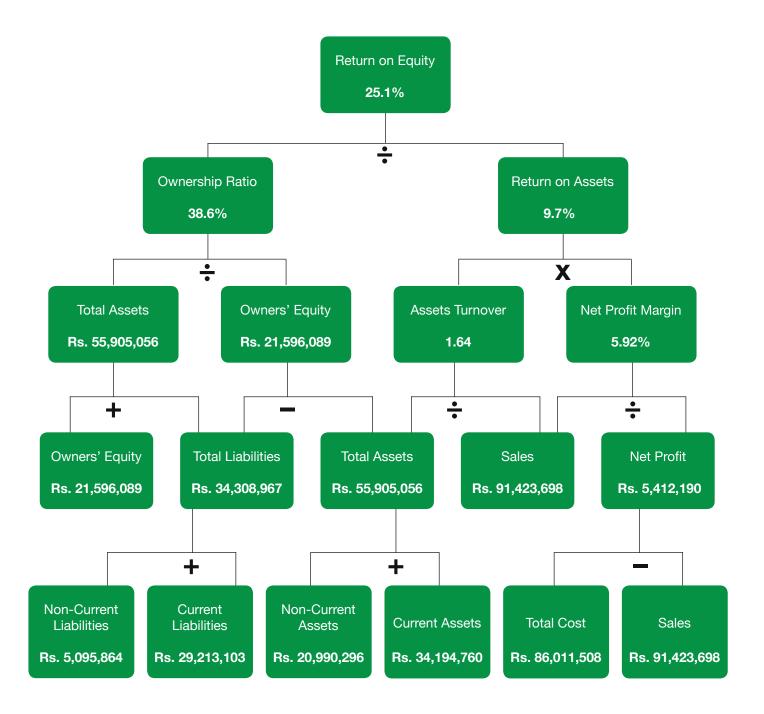
■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022

Capital Structure Ratios



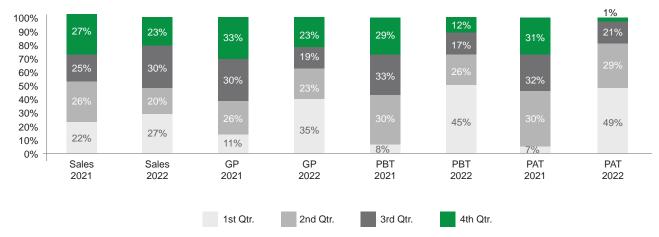
■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022

DUPONT ANALYSIS

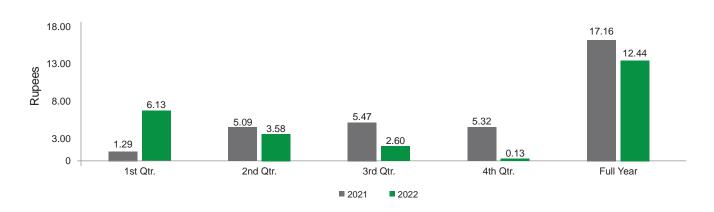


QUARTERLY PERFORMANCE

	2022									
	1st	Qtr.	2nd	Qtr.	3rd	Qtr.	4th	Qtr.	To	tal
	Amount	%								
					Rs. in	million				
Revenue	24,489	100.00	18,805	100.00	27,263	100.00	20,867	100.00	91,424	100.00
Cost of sales	(20,154)	(82.30)	(15,930)	(84.71)	(24,959)	(91.55)	(17,999)	(86.26)	(79,042)	(86.46)
Gross Profit	4,335	17.70	2,875	15.29	2,304	8.45	2,867	13.74	12,381	13.54
Selling and distribution cost	(180)	(0.74)	(217)	(1.15)	(346)	(1.27)	(869)	(4.16)	(1,612)	(1.76)
Administration cost	(85)	(0.35)	(80)	(0.43)	(75)	(0.28)	(100)	(0.48)	(340)	(0.37)
Operating Profit	4,070	16.62	2,578	13.71	1,883	6.91	1,899	9.10	10,430	11.41
Other expenses	(280)	(1.14)	(305)	(1.62)	(170)	(0.62)	(553)	(2.65)	(1,308)	(1.43)
Other income	6	0.02	147	0.78	22	0.08	26	0.12	201	0.22
EBIT	3,796	15.50	2,420	12.87	1.735	6.36	1,372	6.58	9,323	10.20
Finance cost	(176)	(0.72)	(368)	(1.96)	(361)	(1.32)	(418)	(2.00)	(1,323)	(1.45)
PBT	3,620	14.78	2,052	10.91	1,374	5.04	955	4.58	8,001	8.75
Taxation	(953)	(3.89)	(495)	(2.63)	(242)	(0.89)	(899)	(4.31)	(2,589)	(2.83)
PAT	2,667	10.89	1,557	8.28	1,132	4.15	56	0.27	5,412	5.92
EPS	6.13		3.58		2.60		0.13		12.44	



Earnings Per Share



STATEMENT OF VALUE ADDITION

Wealth Generated:

Sales including sales tax Other operating income

Wealth Distributed:

Cost of material & Services

To Employees

Salaries & other related cost

To Government

Taxes

Worker Profit Participation Fund Workers Welfare Fund

To Providers of Capital

Dividend to Shareholders Finance cost

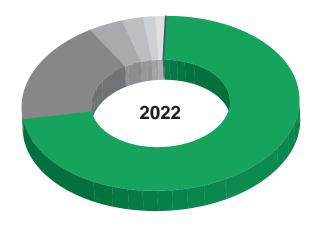
To Society

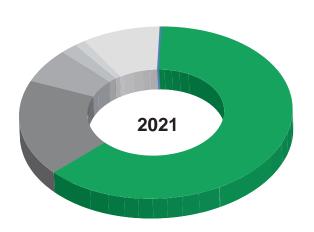
Donation

Retained in the business

For replacement of fixed assets
Depreciation & Amortization
To provide for growth: Retained profit

20	22	2021		
Rs. in '000	%	Rs. in '000	%	
104,026,642	99.8	79,878,321	99.6	
200,971	0.2	315,833	0.4	
104,227,613	100.0	80,194,154	100.0	
75,225,174	72.2	54,725,700	68.2	
1,208,452	1.2	1,023,855	1.3	
18,940,559	18.2	13,847,771	17.3	
430,148	0.4	553,773	0.7	
172,059	0.2	227,081	0.3	
19,542,766	18.8	14,628,625	18.2	
2,827,500	2.7	4,350,000	5.4	
1,322,584	1.3	811,931	1.0	
4,150,084	4.0	5,161,931	6.4	
85,590	0.1	105,160	0.1	
1,516,447	1.5	1,537,712	1.9	
2,584,690	2.5	3,116,331	3.9	
4,101,137	3.9	4,654,043	5.8	
104,227,613	100.0	80,194,154	100.0	





	2022	2021
	%	
Cost of material & Services	72.2	68.2
■ To Government	18.8	18.2
To Providers of Capital	4.0	6.4
Retained profit	2.5	3.9
Depreciation & Amortization	1.5	1.9
To Employees	1.2	1.3
■ To Society	0.1	0.1

STATEMENT OF CASH FLOWS - DIRECT METHOD

For The Year Ended 30 June 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	(Rs. ir	n '000)
Cash receipts from customers	104,343,380	80,578,658
cash paid to suppliers / service providers and employees	(103,818,400)	(72,908,641)
workers fund	(763,714)	(15,696)
Sales tax (payment) / refund	(163,197)	2,457,038
Finance cost paid	(1,101,392)	(933,638)
Income on bank deposits received	26,685	39,613
Staff gratuity paid	(48,054)	(25,158)
Compensated absences paid	(4,045)	(11,176)
Income tax paid	(1,924,504)	(1,137,725)
Net cash (used in) / generated from operating activities	(3,453,241)	8,043,275
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(1,831,971)	(515,360)
Proceeds from disposal of property, plant and equipment	120,904	31,847
Net cash used in investing activities	(1,711,067)	(483,513)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term finance	616,189	187,738
Repayment of long term finance	(1,475,612)	(1,512,165)
Proceeds short term borrowings - net	2,712,924	1,374,373
Lease liability	(22,029)	(20,326)
Dividend paid	(3,913,497)	(1,304,635)
Net cash used in from financing activities	(2,082,025)	(1,275,015)
Net (decrease) / Increase in cash and cash equivalents	(7,246,333)	6,284,747
Cash and cash equivalents at beginning of the year	(2,283,977)	(8,568,724)
Cash and cash equivalents at end of the year	(9,530,310)	(2,283,977)
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	896,462	292,511
Short term borrowings - running finance (secured)	(10,426,772)	(2,576,488)
	(9,530,310)	(2,283,977)

FREE CASH FLOW

Free cash flow to the firm

Profit before taxation Finance cost

Operating Profit

Effective tax rate

Net operating profit after tax Depreciation and Amortization Capital expenditure incurred Changes in working capital

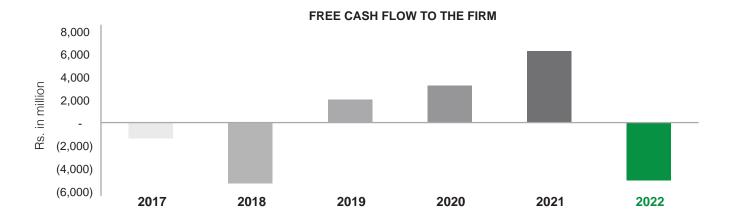
Free cash flow to the firm

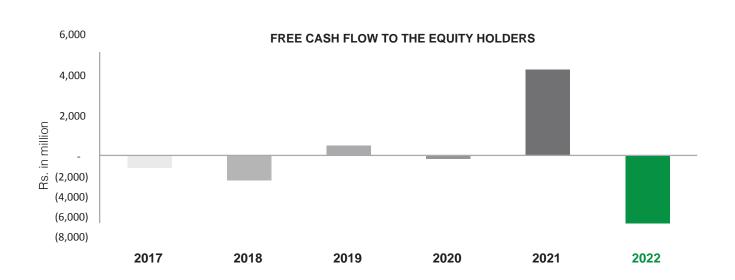
Free cash flow to the Equity holders

Free cash flow to the firm Net borrowing - (repaid) / raised Interest payment - net of tax

Free cash flow to the Equity holders

2022	2021	2020	2019	2018	2017
		(Rs. in	Million)		
8,001	10,295	442	3,679	5,803	4,609
1,323	812	2,315	1,289	539	732
9,323	11,107	2,757	4,968	6,342	5,340
32.36%	27.47%	-11.91%	27.58%	24.79%	33.95%
6,306	8,055	3,085	3,598	4,770	3,527
1,516	1,538	1,403	1,078	858	769
(1,832)	(515)	(2,210)	(2,280)	(5,492)	(1,812)
(11,212)	(2,831)	952	(390)	(5,444)	(3,844)
(5,222)	6,247	3,230	2,006	(5,308)	(1,360)
(5,222)	6,247	3,230	2,006	(5,308)	(1,360)
(860)	(1,324)	(747)	(693)	3,152	74
(745)	(677)	(2,671)	(826)	(340)	(284)
(6,826)	4,246	(188)	487	(2,496)	(1,570)









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INDEPENDENT AUDITORS' REPORT

To the members of International Steels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of International Steels Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Following is the key audit matter

S. No. Key audit matter

(i) Revenue from contracts with customers
(Refer note 3.10 and note 24 to the financial statements)

The Company recognizes revenue from the sale of cold rolled, galvanized and colour coated steel coils and sheets to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. During the year, net sales to the domestic and export customers have increased significantly by 25.6% and 57.5%, respectively, which is substantially due to increase in international steel prices.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has increased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.

How the matter was addressed in our audit

Our audit procedures amongst others included the following:

- evaluated management controls over revenue and checked their validation;
- performed verification of sales with underlying documentation including gate pass, delivery order and invoice;
- performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period;
- verified that sales prices are negotiated and approved by appropriate authority;
- recalculated the commission as per Company's policy and verified related distribution expenses; and
- ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or
 error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is
 sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,
 intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that
 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness
 of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our



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conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A.F. Ferguson & Co. Chartered Accountants

Karachi.

Date: September 07, 2022

UDIN: AR202210073xOvVLsnN9

STATEMENT OF FINANCIAL POSITION

OTATEMENT OF THANKSIAL FOOTION			
AS AT JUNE 30, 2022		30 June	30 June
	Note	2022	2021
ASSETS		(Rupees	in '000)
NON-CURRENT ASSETS			
Property, plant and equipment	4	20,749,605	19,179,617
Right-of-use assets	5.1	63,725	19,318
Intangible assets	6	176,866	885
Long term deposit with Central Depository Company of Pakistan Limited		100	100
		20,990,296	19,199,920
CURRENT ASSETS			
Stores and spares	7	904,026	676,682
Stock-in-trade	8	30,196,653	17,081,369
Trade debts	9	1,034,132	939,845
Receivable from K-Electric Limited (KE)	•	32,874	26,920
Advances, trade deposits and prepayments	10	110,795	1,925,675
Staff retirement benefits	11	- 110,700	1,020,070
Sales tax receivable		1,739,818	1,576,621
Cash and bank balances	13	896,462	292,511
Cash and Sank Salances	10	34,914,760	22,519,623
TOTAL 4005TO			
TOTAL ASSETS		55,905,056	41,719,543
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	14	4,350,000	4,350,000
Revenue reserve			
Unappropriated profit		14,835,313	13,317,354
Capital reserve			
Revaluation surplus on property, plant and equipment	15	2,410,776	1,220,286
TOTAL SHAREHOLDERS' EQUITY		21,596,089	18,887,640
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	16	2,778,846	3,730,861
Deferred income - Government grant	17	136,550	1,018
Gas Infrastructure Development Cess	18	426,521	708,956
Deferred taxation - net	19	1,705,161	2,031,997
Lease liabilities	5.2.1	48,786	1,929
Lease natinues	5.2.1	5,095,864	6,474,761
CURRENT LIABILITIES		3,093,004	0,474,701
Trade and other payables	20	6,470,477	6,587,651
Contract liabilities	21	2,290,226	1,277,439
Short term borrowings - secured	22	17,359,553	6,796,345
Unclaimed dividend	22	10,301	8,798
	16	1,419,495	,
Current portion of long term financing - secured Current portion of lease liabilities	5.2.1	16,155	1,462,435
Taxation - net			20,734
	12	1,375,883	125,012
Accrued mark-up		271,013	78,728
		29,213,103	16,357,142
TOTAL LIABILITIES		34,308,967	22,831,903
CONTINGENCY AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		55,905,056	41,719,543
TOTAL EQUIT I AND EIABILITIES		33,303,030	41,119,040

The annexed notes from 1 to 44 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman

Board Audit Committee

Mujtaba Hussain Chief Financial

Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees	in '000)
Revenue from contracts with customers	24	91,423,698	69,796,240
Cost of sales	25	(79,042,389)	(56,304,367)
Gross profit		12,381,309	13,491,873
Selling and distribution expenses	26	(1,611,628)	(1,062,996)
Administrative expenses	27	(339,808)	(361,519)
		(1,951,436)	(1,424,515)
Operating profit		10,429,873	12,067,358
Finance cost	28	(1,322,584)	(811,931)
Other operating charges	29	(1,307,510)	(1,276,659)
		(2,630,094)	(2,088,590)
Other income	30	200,971	315,833
Profit before income tax		8,000,750	10,294,601
Income tax expense	31	(2,588,560)	(2,828,270)
Profit for the year		5,412,190	7,466,331
		(Rup	ees)
Earnings per share - basic and diluted	32	12.44	17.16

The annexed notes from 1 to 44 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Mujtaba Hussain Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

Profit for the y	/ear
------------------	------

Other comprehensive income for the year

Items that will not be subsequently reclassified to statement of profit or loss Remeasurements of staff retirement benefits Revaluation of property, plant and equipment Related deferred tax charge for the year

Other comprehensive income for the year - net of tax

Total comprehensive income for the year

The annexed notes from 1 to 44 form an integral part of these financial statements.

Note	2022	2021
	(Rupees	s in '000)
	5,412,190	7,466,331
11.2.10	(18,525)	696
4.1	1,489,762	-
	(259,978)	(202)
	1,211,259	494
	6,623,449	7,466,825

Nihal Cassim Director & Chairman **Board Audit Committee** Mujtaba Hussain Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

FUR THE YEAR ENDED JUNE 30, 2022	Issued, subscribed & paid-up capital	Revenue reserve- unappropriat- ed profit	Capital reserve- Revaluation surplus on property, plant and equipment	Total
Balance as at July 01, 2020	4,350,000	7,121,607	1,254,208	12,725,815
Profit for the year Other comprehensive income for the year		7,466,331 494		7,466,331 494
Total comprehensive income for the year	-	7,466,825	-	7,466,825
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	33,922	(33,922)	-
Transactions with owners in their capacity as owners recorded directly in equity - distributions Dividend: - Interim dividend @ 30% (Rs. 3.00 per share)				
for the year ended June 30, 2021	-	(1,305,000)	-	(1,305,000)
	-	(1,305,000)	-	(1,305,000)
Balance as at June 30, 2021	4,350,000	13,317,354	1,220,286	18,887,640
Profit for the year Other comprehensive income for the year	-	5,412,190 (13,153)	- 1,224,412	5,412,190 1,211,259
Total comprehensive income for the year	-	5,399,037	1,224,412	6,623,449
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax		33,922	(33,922)	
Transactions with owners in their capacity as owners recorded directly in equity - distributions Dividend:				
- Final dividend @ 70% (Rs. 7.00 per share) for the year ended June 30, 2021	-	(3,045,000)	-	(3,045,000)
 Interim dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2022 	-	(870,000)	-	(870,000)
	-	(3,915,000)	-	(3,915,000)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Balances as at June 30, 2022

Mujtaba Hussain Chief Financial Officer

4,350,000

14,835,313

2,410,776

Yousuf H. Mirza Chief Executive Officer

21,596,089

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

FOR THE YEAR EINDED JUINE 30, 2022	Note	2022	2021
		(Rupees	s in '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	33	(401,931)	10,111,359
Finance cost paid		(1,101,392)	(933,638)
Income on bank deposits received		26,685	39,613
Staff retirement benefits paid	11.2.9	(48,054)	(25,158)
Payment on account of compensated absences		(4,045)	(11,176)
Income tax paid	12	(1,924,504)	(1,137,725)
		(3,051,310)	(2,068,084)
Net cash (used in) / generated from operating activities		(3,453,241)	8,043,275
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(1,655,678)	(515,360)
Payment for acquisition of intangible asset	6	(176,293)	-
Proceeds from disposal of property, plant and equipment	Ü	120,904	31,847
recorded from dispersal of property, plant and equipment		.20,00	01,017
Net cash used in investing activities		(1,711,067)	(483,513)
CACUEL CIMO ED ON EINANGING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES		040 400	407.700
Proceeds from long term financing		616,189	187,738
Repayment of long term financing Short term borrowings - net		(1,475,612)	(1,512,165)
Lease rentals paid		2,712,924 (22,029)	1,374,373 (20,326)
Dividend paid		(3,913,497)	(1,304,635)
Dividend paid		(3,913,497)	(1,304,033)
Net cash used in financing activities		(2,082,025)	(1,275,015)
·			, , ,
Net (decrease) / increase in cash and cash equivalents		(7,246,333)	6,284,747
Cash and cash equivalents at beginning of the year		(2,283,977)	(8,568,724)
		,,,,,	
Cash and cash equivalents at end of the year	34	(9,530,310)	(2,283,977)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Mujtaba Hussain Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is domiciled in the province of Sindh. The Company was listed on the Pakistan Stock Exchange Limited on June 01, 2011. The Company is subsidiary of International Industries Limited (the Holding Company) which holds 245,055,543 (2021: 245,055,543) shares of the Company as at June 30, 2022 representing 56.3% (2021: 56.3%) of the shareholding of the Company.

The net assets of the Steel Project Undertaking of International Industries Limited (the Holding Company), amounting to Rs. 4,177.167 million determined as at August 23, 2010 (day immediately preceding the completion date) in accordance with the Scheme of Arrangement, were transferred to the Company on August 24, 2010. In consideration of transferring to and vesting the Steel Project Undertaking in the Company, 417,716,700 fully paid-up ordinary shares were issued at par value to the Holding Company.

The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. The Company commenced commercial operations on January 01, 2011. The registered office of the Company is situated at 101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi - 75530.

The manufacturing facilities of the Company are situated at 399-405, Rehri Road, Landhi Industrial Area, and Plot No. LE-73-79,102-103, 112-118, 125-129, Survey No. NC.98, near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi.

The Company has sales offices at following locations:

- Chinoy House, 6-Bank Square, Lahore;
- Office No. 303-A 3rd Floor Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and
- Office No. 708-A, United Mall, Abdali Road, Multan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, freehold land and buildings thereon that are stated at fair values determined by an independent valuer.

2.3 Functional and presentation currency

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

2.4 Use of significant estimates and judgments

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

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant and equipment (note 3.2)
- Trade debts, advances (note 3.4.2.1)
- Stores and spares (note 3.5)
- Stock-in-trade (note 3.6)
- Taxation (note 3.7)
- Staff retirement benefits (note 3.8)
- Impairment (note 3.12)
- Provisions (note 3.13)
- Contingent liabilities (note 3.14)
- Lease liabilities (note 5.2)

2.5 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2021. However, these do not have any significant impact on the Company's financial reporting.

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

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

3.1 Lease liability and Right-of-use assets

The Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The Company has various lease agreements for head office and sales offices which were previously classified by the Company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The Company has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.2 Property, plant and equipment

3.2.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land are stated at revalued amounts and buildings on freehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment, if any. The costs of property, plant and equipment include:

- (a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for freehold land is charged on straight line method at the rates specified in note 4.1 to the financial statements and is generally recognised in statement of profit or loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of freehold land and buildings on freehold land is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land and buildings on freehold land is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the statement of profit or loss, in which case the increase is first recognized in the statement of profit or loss to the extent of the decrease previously charged.

Any decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings.

3.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing costs, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year, are recognised as an intangible asset.

Indefinite intangible assets

These are stated at cost less impairment, if any.

Definite intangible assets

- a) These are stated at cost less accumulated amortisation and impairment, if any.
- b) These are amortised on straight line basis over its estimated useful life(s) of these assets (refer note 6).
- c) Amortisation on additions during the year is charged from month in which the asset is intended to use, whereas no amortisation is charged from the month the asset is disposed-off.

3.4 Financial instruments

3.4.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in statement of profit or loss.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the statement of profit or loss.

3.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.4.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.4.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

3.4.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up, lease liability and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liabilities other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.4.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.4.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.4.3.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.4.4 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.4.5 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in statement of profit or loss. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.5 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realisable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognised in the statement of profit or loss.

3.6 Stock-in-trade

These are valued at lower of cost and net realisable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw material in transit comprises invoice value and other charges thereon. Net realisable value signifies the estimated selling price in the ordinary course of the business less net estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realisable value.

3.7 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred tax

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 Staff retirement benefits

3.8.1 Defined benefit plan

The Company provides gratuity benefits to all its permanent employees who have completed their minimum qualifying period of service i.e. three years (except in case of workers where minimum qualifying period of service is six months). For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service. For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service. The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in statement of profit or loss. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.8.2 Defined contribution plan

The Company provides provident fund benefits to all its officers. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the statement of profit or loss.

3.8.3 Compensated absences

The liability for accumulated compensated absences of employees is recognised in the period in which

employees render service that increases their entitlement to future compensated absences.

3.9 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the statement of profit or loss.

3.10 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.
- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides
 either with the date of bill of lading or upon delivery to customer or its representative, based on terms of
 arrangement.
- Revenue from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited.
- Toll manufacturing / partial manufacturing income is recognised when related services are rendered.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.11 Income on bank deposits and finance cost

The Company's finance income and finance cost includes income on bank deposits and finance cost. Income or expense is recognised using the effective interest rate method.

3.12 Impairment

3.12.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2022 or July 1, 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

A financial asset is considered irrecoverable (default event) when the counterparty fails to make contractual payments within one year of when they fall due.

3.12.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares, stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.13 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflecting current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.14 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.15 Segment reporting

Segment results that are reported to the Company's Chief Executive Officer (CEO) - the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office expenses, and tax

assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wide disclosures.

The Company does not consider sale of electricity to K-Electric Limited (KE) as separate reportable segment as the power plant of the Company is installed primarily to supply power to its production facilities and currently any excess electricity is sold to KE.

3.16 Dividend and appropriations to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.17 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with Grants.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.18 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4 PROPERTY, PLANT AND EQUIPMENT

		(Rupees in '000)	
Operating assets	4.1	19,671,436	18,384,801
Capital work-in-progress	4.2	574,400	150,993
Stores and spares held for capital expenditure	4.3	503,769	643,823
		20,749,605	19,179,617

Note

4.1 Operating assets

	(Rupees in '000)					
	Freehold land -	Buildings on		Furniture,		
	revalued - notes 4.1.2,	freehold land - revalued 4.1.2,	Plant and machinery	fixtures and office	Vehicles	Total
Balance as at July 1, 2021	4.1.3 and 4.1.4	4.1.3 and 4.1.4		equipment		
Cost / revalued amount	2,241,441	3,357,439	20,489,805	142,644	179,503	26,410,832
Accumulated depreciation Accumulated impairment	-	(350,549)	(7,129,745) (383,369)	(84,320)	(78,048)	(7,642,662) (383,369)
Net book value (NBV)	2,241,441	3,006,890	12,976,691	58,324	101,455	18,384,801
Additions / adjustments /						
Additions / adjustments / transfers from capital work in progress	-	57,005	1,144,342	31,962	112,785	1,346,094
Disposals - note 4.1.4						
Cost Accumulated depreciation/ Accumulated impairment	-	(12,451) 287	(799,018) 771,321	(2,159) 1,999	(45,044) 33,727	(858,672) 807,334
Accumulated impairment	-	(12,164)	(27,697)	(160)	(11,317)	(51,338)
Depreciation charge - note 4.1.1	-	(199,065)	(1,234,838)	(21,122)	(42,858)	(1,497,883)
Revaluation surplus - note 15						
- Cost - Accumulated depreciation	574,762	365,673 549,327	-	-	-	940,435 549,327
- Accumulated depreciation	574,762	915,000	-	-	-	1,489,762
Balance as at June 30,						
2022 (NBV)	2,816,203	3,767,666	12,858,498	69,004	160,065	19,671,436
Gross carrying value as at June 30, 2022						
Cost / revalued amount	2,816,203	3,767,666	20,835,129	172,447	247,244	27,838,689
Accumulated depreciation / Accumulated impairment	-	-	(7,976,631)	(103,443)	(87,179)	(8,167,253)
Net book value	2,816,203	3,767,666	12,858,498	69,004	160,065	19,671,436
Depreciation rates						
(% per annum)	-	3 - 10	3 - 50	5 - 50	20	
Balance as at July 1, 2020						
Cost / revalued amount	2,241,441	3,345,938	20,142,300	122,322	161,085	26,013,086
Accumulated depreciation Net book value (NBV)	2,241,441	<u>(152,659)</u> 3,193,279	(5,853,796) 14,288,504	(69,426) 52,896	(67,796) 93,289	(6,143,677) 19,869,409
Additions / adjustments /	2,2,	0,100,270	11,200,001	02,000	00,200	10,000,100
transfers from capital work in progress Disposals	-	18,565	347,505	20,563	50,046	436,679
- Cost	_	(7,064)	_	(241)	(31,628)	(38,933)
- Accumulated depreciation	-	91	-	136	20,413	20,640
	-	(6,973)	-	(105)	(11,215)	(18,293)
Impairment	-	-	(383,369)	-	-	(383,369)
Depreciation charge - note 4.1.1	-	(197,981)	(1,275,949)	(15,030)	(30,665)	(1,519,625)
Balance as at June 30, 2021 (NBV)	2,241,441	3,006,890	12,976,691	58,324	101,455	18,384,801
Gross carrying value as at June 30, 2021						
Cost / revalued amount Accumulated depreciation	2,241,441 -	3,357,439 (350,549)	20,489,805 (7,129,745)	142,644 (84,320)	179,503 (78,048)	26,410,832 (7,642,662)
Accumulated Impairment	-	-	(383,369)	-	-	(383,369)
Net book value	2,241,441	3,006,890	12,976,691	58,324	101,455	18,384,801
Depreciation rates (% per annum)		3 - 10	3 - 50	5 - 50	20	

Operating assets include fully depreciated assets having cost of Rs. 449.66 million (2021: Rs. 289.25 million)

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in '000)	
Cost of sales	25	1,359,285	1,389,844
Selling and distribution expenses	26	13,056	9,860
Administrative expenses	27	14,050	8,454
Income from power generation	30.1	111,491	111,467
		1,497,882	1,519,625

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total area	Forced sales value (Rupees in '000)
Manufacturing plant	399-405, Rehri Road, Landhi Town, City District Government, Karachi.	157,058 Sq. Yd.	4,035,909
	Plot No. LE-73-79, 102-103, 112-118, 125-129 Survey No. NC. 98, near Arabian Country Club, NIP, Bin Qasim Industrial Park, Karachi.	653,400 Sq. Ft.	1,171,502
Office premises	Office No. 203, 2nd Floor, Beaumont Plaza, 10 Beaumont Road, Karachi.	1,794, Sq. Ft.	25,121
Multan Plot	Khewat No. (B) 38, 114, 302, Khatooni No. 127,475, 1114, Mouza Laar, Bahawalpur Road, Multan.	372,711 Sq. Ft.	90,910

4.1.3 The revaluation of freehold land and buildings thereon including Multan plot and manufacturing facility of National Industrial Park, Bin Qasim Industrial Park Karachi has been carried out as of June 30, 2022 by MYK Associates (Private) Limited (an independent valuer who is located in Karachi) on the basis of their professional assessment of present market values based on their methodology for estimating the cost of land of similar nature, size and location including consideration of current cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition. The revaluation resulted in a surplus on revaluation amounting to Rs. 1,489.76 million which was incorporated in the books of the Company as at June 30, 2022. A Desktop Evaluation of the revalued properties was also carried out by the same valuer as of June 30, 2021 resulting in no change in the forced sales value given in the last independent valuation report.

The Company commissioned independent valuation of freehold land and buildings thereon after every three years, during the years ended June 30, 2013, June 30, 2016, June 30, 2019 and June 30, 2022.

The carrying amount of the aforementioned assets as at June 30, 2022, if the said assets had been carried at historical cost, would have been as follows:

Freehold land Buildings on freehold land **As at June 30, 2022** As at June 30, 2021

Cost	Accumulated depreciation	Net book value		
	(Rupees in '000)			
1,455,541	-	1,455,541		
3,139,067	(844,155)	2,294,912		
4,594,608	(844,155)	3,750,453		
4,550,053	(693,309)	3,856,744		

4.1.4 Details of property, plant and equipment disposed off, having net book value in excess of five hundred thousand rupees or more each are as follows:

	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with
		(R	upees in '000	0)	alopoodi		buyer	
Vehicles Honda City Honda Civic Suzuki Cultus VXR Toyota Corolla XLI Suzuki Alto VXL Honda City Manual	1,613 2,613 1,771 2,505 1,521 2,347	1,102 1,742 620 1,086 101 704	511 871 1,151 1,420 1,420 1,643	2,015 3,050 1,835 2,350 1,875 2,200	1,504 2,179 684 931 455 557	As per Policy As per Policy Negotiation Negotiation Negotiation Insurance Claim JGI	Mr. Sanaullah Palijo Mr. Mujtaba Hussain Mr. Asif Moten International Industries Limited Itehad Motors In Jubilee General Insurance	Employee Employee Employee Related Party Third Party Third Party
	12,370	5,355	7,016	13,325	6,310			
Plant and								
Machinery Chemical Coater	734	233	502	111	(390)	Negotiation	Islam Khan & Sons	Third Party
Backup roll Uncoiler mandrel	15,081	14,327	754	2,460	1,706	Negotiation	(Private Limited) Alliance Traders	Third Party
drum accessories	2,748	1,924	824	108	(716)	Negotiation	Islam Khan & Sons (Private) Limited	Third Party
Drum Shaft, Drum Segment							(
and Quil for Uncoiler	4,191	1,029	3,162	192	(2,969)	Negotiation	Islam Khan & Sons (Private) Limited	Third Party
Annealing extension Entry & Exit	34,000	26,647	7,353	6,092	(1,260)	Negotiation	Bilal and Brothers	Third Party
side of Rewinding	30,070	16,307	13,763	2,885	(10,879)	Negotiation	Islam Khan & Sons (Private) Limited	Third Party
	86,824	60,467	26,358	11,848	(14,508)			
Buildings								
Rail & Gantries	12,451	287	12,164	12,944	780	Negotiation	M/s Zafar Associates	Third Party
	12,451	287	12,164	12,944	780			
Total	111,645	66,109	45,538	38,117	(7,418)			
IUIdi	111,043	00,109	40,000	30,117	(7,410)	:		

4.2 Capital work-in-progress

2022				2021			
Cost As at July 01, 2021	Additions	(Transfers) / Adjustments	As at June 30, 2022	Cost As at July 01, 2020	Additions	(Transfers) / Adjustments	As at June 30, 2021
(Rupees in '000)							
10,505	53,121	(57,005)	6,621	-	29,070	(18,565)	10,505
127,023	1,564,598	(1,144,342)	547,279	75,155	383,444	(331,576)	127,023
6,930	35,719	(31,962)	10,687	26,577	16,845	(36,492)	6,930
6,535	116,063	(112,785)	9,813	5,606	50,975	(50,046)	6,535
150,993	1,769,501	(1,346,094)	574,400	107,338	480,334	(436,679)	150,993
	As at July 01, 2021 10,505 127,023 6,930 6,535	Cost As at July 01, 2021 10,505 53,121 127,023 1,564,598 6,930 35,719 6,535 116,063	Cost As at July 01, 2021 Additions (Transfers) / Adjustments 10,505 53,121 (57,005) 127,023 1,564,598 (1,144,342) 6,930 35,719 (31,962) 6,535 116,063 (112,785)	Cost As at July 01, 2021 Additions (Transfers) / Adjustments (Rupees 10,505 53,121 (57,005) 6,621 127,023 1,564,598 (1,144,342) 547,279 6,930 35,719 (31,962) 10,687 6,535 116,063 (112,785) 9,813	Cost As at July 01, 2021 Additions (Transfers) / Adjustments As at June 30, 2022 Cost As at July 01, 2020 (Rupees in '000) (Rupees in '000) 127,023 1,564,598 (1,144,342) 547,279 75,155 6,930 35,719 (31,962) 10,687 26,577 6,535 116,063 (112,785) 9,813 5,606	Cost As at July 01, 2021 Additions (Transfers) / Adjustments As at June 30, 2022 Cost As at July 01, 2020 Additions 10,505 53,121 (57,005) 6,621 - 29,070 127,023 1,564,598 (1,144,342) 547,279 75,155 383,444 6,930 35,719 (31,962) 10,687 26,577 16,845 6,535 116,063 (112,785) 9,813 5,606 50,975	Cost As at July 01, 2021 Additions (Transfers) / Adjustments As at June 30, 2022 Cost As at July 01, 2020 Additions (Transfers) / Adjustments (Rupees in '000) 10,505 53,121 (57,005) 6,621 - 29,070 (18,565) 127,023 1,564,598 (1,144,342) 547,279 75,155 383,444 (331,576) 6,930 35,719 (31,962) 10,687 26,577 16,845 (36,492) 6,535 116,063 (112,785) 9,813 5,606 50,975 (50,046)

4.3 Stores and spares held for capital expenditure

Balance at beginning of the year Additions during the year Transfers / adjustments made during the year Provision for obsolescence against capital spares Impairment loss during the year Balance at end of the year

2022	2021			
(Rupees in '000)				
643,823	661,607			
260,759	120,738			
(374,582)	(85,712)			
(26,231)	(48,181)			
-	(4,629)			
503,769	643,823			

5. LEASES

5.1 Right-of-use assets

Balance at beginning of the year
Additions
Termination/re-assessment of leases
Depreciation charge during the year
5.1.1
Balance at end of the year

2022	2021			
(Rupees in '000)				
19,318	49,377			
67,164	-			
(4,504)	(12,284)			
(18,253)	(17,775)			
63,725	19,318			

Note

5.1.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

Selling and distribution expenses 26
Administrative expenses 27

2021				
(Rupees in '000)				
15,861				
1,914				
17,775				

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

5.2.1 Set out below the carrying amount of lease liabilities and the movements during the year:

Balance at beginning of the year
Additions
Re-assessment / termination of leases
Interest expense 28
Payments
Balance at end of the year
Current portion
Non-current portion

2022	2021			
(Rupees in '000)				
22,663	54,853			
67,164	-			
(5,533)	(14,658)			
2,677	2,794			
(22,030)	(20,326)			
64,941	22,663			
16,155	20,734			
48,786	1,929			
64,941	22,663			

5.2.2 Lease liabilities payable are as follows:

Less than one year Between one and five years

	2022	(Rupees	in '000)	2021	
Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
24,164	(8,009)	16,155	21,964	(1,230)	20,734
56,991	(8,205)	48,786	1,972	(43)	1,929
81,155	(16,214)	64,941	23,936	(1,273)	22,663

6. INTANGIBLE ASSETS

	Note	2022	2021
		(Rupee	s in '000)
Operating intangible assets		573	885
Capital work in progress (CWIP)	6.3	176,293	-
		176,866	885
Operating intangible assets			
Net book value at beginning of the year		885	1,197
Amortisation	6.2	(312)	(312)
Net book value at end of the year		573	885
Gross carrying value as at 30 June			
Cost		23,267	23,267
Accumulated amortisation		(22,694)	(22,382)
Net book value		573	885
Amortisation rate (% per annum)		20% - 33.33%	20% - 33.33%

- 6.1 Intangible assets comprise computer software.
- 6.2 Total amount of amortisation has been charged to cost of sales in these financial statements.
- 6.3 This includes capitalization of Advanced Supply Chain Software, Delmia Quinting solutions, amounting to Rs. 171.16 million.

7. STORES AND SPARES

Stores Spares Loose tools

Less: Provision for net realisable value written down against stores and spares

2022	2021			
(Rupees in '000)				
425,855	165,032			
690,907	652,407			
15,399	10,251			
1,132,161	827,690			
(228,135)	(151,008)			
904,026	676,682			

8. STOCK-IN-TRADE

Raw material - in hand

- in transit

Work-in-process Finished goods Scrap material By-products

2022	2021			
(Rupees in '000)				
12,626,302	3,041,826			
4,712,547	5,287,176			
17,338,849	8,329,002			
5,315,424	1,853,342			
7,470,757	6,812,134			
22,104	69,575			
49,519	17,316			
30,196,653	17,081,369			

9. TRADE DEBTS - considered good

Note	2022	2021
	(Rupees	s in '000)
9.1 & 9.2	775,877	685,575
9.2	258,255	254,270
	1,034,132	939,845
	9.1 & 9.2	9.1 & 9.2 775,877 9.2 258,255

- 9.1 These include trade debts arising on account of export sales of Rs. 622.36 million (2021: Rs. 640.69 million) which are secured by way of Export Letters of Credit and Rs. 153.52 million (2021: Rs. 44.89 million) arising on account of domestic sales which are secured by way of Inland Letters of Credit.
- 9.2 These also include receivable from IIL Australia PTY Limited a related party amounting to Rs. 124.51 million (2021: Rs. 17.09 million) and Sumitomo Corporation an associated company amounting to Nil (2021: Rs. 199.85 million) which is not past due as at year end.
- **9.2.1** The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 1,287.12 million (2021: Rs. 216.95 million).
- **9.3** The ageing of trade debts receivable from other than related parties as at the reporting date is as under:

Not yet due Past due 1-60 days Past due 61 days

2022	2021			
(Rupees in '000)				
521,688	627,350			
387,869	95,502			
56	42			
909,613	722,894			

2022

58,091

44,194

8,510

110,795

1,837,999

76,773

10,903

1,925,675

10. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

Advances to suppliers - considered good 10.1 & 10.2

Trade deposits 10.1

Prepayments

- **10.1** These advances and trade deposits are non-interest bearing.
- **10.2** These include advances to suppliers amounting to Nil [2021: USD 8.98 million (Rs. 1,385.19 million)] to Sumitomo Corporation, a related party of the Company, for the purpose of import of Hot Rolled Coils (HRC).

11. STAFF RETIREMENT BENEFITS

11.1 Defined contribution plan

Staff Provident Fund

All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

11.2 Defined benefit scheme

Staff Gratuity Fund

- **11.2.1** As stated in note 3.8 the company operates approved funded defined benefit gratuity plan for all permanent employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2022.
- 11.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees among its employees.

11.2.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 6 months, 3, 5 or 10 years Regular Income Certificates, Defence Savings Certificates, Treasury Bills and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

11.2.4 Funding

The gratuity plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

11.2.5 The actuarial valuation of gratuity was carried out at June 30 by an independent actuary under projected unit credit method using the following assumptions:

Financial assumptions

Discount rate

Expected rate of salary increase

Demographic assumptions

Mortality rate

Rates of employee turnover

Retirement assumption

2022	2021		
13.50%	10.25%		
12.50%	9.25%		
SLIC 2001-2005	SLIC 2001-2005		
Moderate	Moderate		
Age 60 years	Age 60 years		

11.2.6 The amounts recognised in statement of financial position are as follows:

		١
Present value of defined benefit obligation (ואחנו	1

Fair value of plan assets

Asset as at 30 June

2022	2021
(Rupees in '000)	
294,026	237,868
(294,026)	(237,868)
-	-

11.2.7 Movements in the present value of defined benefit obligation

Present value of defined benefit
obligation - beginning of the year
Current service cost
Past service cost
Interest cost
Remeasurements: Actuarial losses on obligation
Benefits paid
Present value of defined benefit obligation

2021		
(Rupees in '000)		
185,614		
26,742		
7,823		
17,050		
3,221		
(2,582)		
237,868		

11.2.8 Movements in the fair value of plan assets

Fair value of plan assets - beginning of the year Interest income on plan assets

Return on plan assets, excluding interest income

Benefits paid

Benefits due but not paid

Contribution to fund

Fair value of plan assets - end of the year

2022	2021
(Rupees	in '000)
237,868	192,852
25,787	18,523
(12,607)	3,917
(4,955)	(2,582)
(121)	-
48,054	25,158
294,026	237,868

11.2.9 Movement in net defined benefit liability

Balance at beginning of the year

Re-measurements recognised in other comprehensive income during the year

Expense chargeable to statement of profit or loss

Contribution paid during the year

Balance at end of the year

2022	2021
(Rupees	s in '000)
- (7,238	
18,525	(696)
29,529	33,092
(48,054)	(25,158)
-	-

11.2.10 Amount recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:

	2022	2021
	(Rupees in '000)	
Component of defined benefit costs recognized in statement of profit or loss		
Current service cost	31,195	26,742
Past service cost	-	7,823
Net interest cost		
- Interest cost on defined benefit obligation	24,121	17,050
- Return on plan assets	(25,787)	(18,523)
	29,529	33,092
Component of defined benefit costs (re-measurement) recognised in		
other comprehensive income		
Re-measurements: Actuarial (gain) / loss on obligation		
- Loss due to change in experience adjustments	5,919	3,221
- Return on plan assets	12,606	(3,917)
Net re-measurement recognised in other comprehensive income	18,525	(696)
Total defined benefit cost recognised in statement of		
profit or loss and other comprehensive income	48,054	32,396

11.2.11 Components of defined benefit cost for the next year

	(Rupees in '000)	
Current service cost	36,246	31,195
Interest expense on defined benefit obligation	38,664	23,710
Return on plan assets	(41,680)	(24,601)
Net interest cost	(3,016)	(891)
Cost for the next year to be recognised in statement of profit or loss	33,230	30,304

The contribution in relation to gratuity benefit for the year ending June 30, 2023 is expected to be same as the expense.

11.2.12 Composition of fair value of plan assets

	2022		2021	
	Fair value (Rupees in '000)	Percentage	Fair value (Rupees in '000)	Percentage
Government securities	180,346	61.34%	176,019	74.00%
Shares - listed	47,702	16.22%	46,663	19.62%
Bank deposits	65,978	22.44%	15,186	6.38%
Fair value of plan assets	294,026	100.00%	237,868	100.00%

11.2.13 The Company ensures asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

11.2.14 Maturity profile of the defined benefit obligation

	2022	2021
	(Rupee:	s in '000)
Distribution of timing of benefit payments		
One year	15,249	13,094
Two years	18,509	14,690
Three years	25,635	16,594
Four years	18,266	22,139
Five years	66,978	14,944
Six years and onwards	8,867,627	4,016,909

11.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2022	2021
	(Rupees	s in '000)
Actuarial liability		
Discount rate + 1%	264,727	213,184
Discount rate - 1%	328,542	267,161
Salary increase + 1%	329,017	267,577
Salary increase - 1%	263,823	212,399
	(Numbe	r in years)
Weighted average duration of the Defined Benefit Obligation	11	11

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

12. TAXATION - NET

Note	2022	2021	
	(Rupees	(Rupees in '000)	
Tax receivable at beginning of the year	(125,012)	1,033,184	
Minimum tax adjustment 19	-	472,137	
Tax payments / adjustments			
made during the year	1,924,504	1,137,725	
	1,799,492	2,643,046	
Less: Provision for tax - current 31	(3,175,375)	(2,768,058)	
Tax payable at end of the year	(1,375,883)	(125,012)	

13. CASH AND BANK BALANCES

Cash at bank

Conventional

In current accounts in local currency In current accounts in foreign currency Call deposit receipt

Islamic

In current account in local currency Cash in hand

2022	2021		
(Rupees	(Rupees in '000)		
494,313	73,231		
402,149	219,072		
-	33		
896,462	292,336		
-	65		
-	110		
896,462	292,511		

Note

14. SHARE CAPITAL

Authorised share capital

	2022 2021		
	(Number	of shares)	
500,000,000		500,000,000	Ordinary shares of Rs. 10 each

2022	2021	
(Rupees in '000)		
5,000,000	5,000,000	

Issued, subscribed and paid-up capital

2022	2021	
(Number	of shares)	
30,000	30,000	Fully paid ordinary shares of Rs. 10 each issued for cash
417,716,700	417,716,700	Fully paid ordinary shares of Rs. 10 each issued against transfer of net assets
17,253,300	17,253,300	Fully paid ordinary shares of Rs. 10 each issued as right shares
435,000,000	435,000,000	

2022	2021
(Rupee	s in '000)
300	300
4,177,167	4,177,167
172,533	172,533
4,350,000	4,350,000

14.1 As at June 30, 2022, the Holding Company and Sumitomo Corporation (an associated company) held 245,055,543 (2021: 245,055,543) and 39,477,657 (2021: 39,477,657) ordinary shares respectively of Rs. 10 each.

15.	REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT Freehold land	Note	2022 (Rupees	2021 s in '000)
	Revalued amount at beginning of the year		785,901	785,901
	Revaluation during the year		574,762	
	Balance at end of the year		1,360,663	785,901
	Buildings on freehold land			
	Balance at beginning of the year		611,810	659,588
	Revaluation during the year		915,000	-
	Transferred to retained earnings in respect of incremental depreciation			
	charged during the year		(47,778)	(47,778)
	Balance at end of the year		1,479,032	611,810
	Related deferred tax liability	15.2	(428,919)	(177,425)
	Balance at end of the year - net of deferred tax		2,410,776	1,220,286

15.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the

13.1	shareholders of the Company in accordance with section 241 of the Compan			ibution to the
15.2	Movement in related deferred tax liability		2022	2021
13.2	Movement in related deferred tax nability	(Rupees in '000)		
	Balance at beginning of the year		177,425	191,281
	Tax effect on incremental depreciation			
	transferred to retained earnings		(13,856)	(13,856)
	Tax effect on revaluation surplus		265,350	-
	Balance at end of the year		428,919	177,425
16	LONG TERM FINANCING - Secured	Note	2022	2021
10	LONG TERM FINANCING - Secured		(Rupees	in '000)
	CONVENTIONAL			
	Long Term Finance Facility (LTFF)	16.1	891,386	955,917
	Temporary Economic Refinance Facility (TERF)	16.2	442,889	12,189
			1,334,275	968,106
	ISLAMIC	400	447 400	500.050
	Islamic Long Term Finance Facility (ILTFF) Long Term Finance (LTF)	16.3	447,402	508,059
	Payroll Refinance Scheme	16.4	2,450,000 128,820	3,430,000 300,580
	1 dyfoli i folinarios sorione	10.4		
			3,026,222	4,238,639
	Less: Deferred Income - Government grant	17	(162,156)	(13,449)
	Less: Current portion of long term loan:			
	CONVENTIONAL			
	Long Term Finance Facility (LTFF)		(250,020)	(250,020)
	ISLAMIC		(00.055)	(00.055)
	Islamic Long Term Finance Facility (ILTFF) Long Term Finance (LTF)		(60,655) (980,000)	(60,655) (980,000)
	Payroll Refinance Scheme		(128,820)	(171,760)
			(1,169,475)	(1,212,415)
			(1,419,495)	(1,462,435)
			2,778,846	3,730,861

- 16.1 This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects.
- 16.2 This represents finance facility loan obtained from different banks under the SBP's Temporary Economic Refinance Facility available to the Company at below-market interest rate for setting up of new industrial units.
- 16.3 This represents finance facility loan obtained from different banks under the SBP's Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects.
- 16.4 This represents salaries and wages under SBP's Refinance Scheme for Payment of Wages and Salaries at concessionary rates, earmarked from running finance limit. The loan is obtained in six tranches starting from May 2020.

16.5 Long term finances utilised under mark-up arrangements

	Sale	Purchase	Number of	Date of	Rate of	Carrying	amount
	price	price	installments and	maturity /		2022	2021
	(Rupees	in '000)	commencement date	repayment	per annum	(Rupee	es in '000)
Conventional							
i) LTFF							
Bank Al Habib Limited Assistance for plant and machinery	1,000,000	2,501,562	16 half yearly installments 12-Dec-16	30-May-26	1.00% over SBP Refinance rate	365,434	490,436
United Bank Limited Assistance for plant and machinery	1,000,000	4,675,000	32 quarterly installments 16-Oct-16	15-July-26	1.00% over SBP Refinance rate	340,463	465,481
Allied Bank Limited Assistance for plant and machinery	500,000	214,574	16 half yearly installments 20-Jan-22	20-Jan-32	0.50% over SBP Refinance rate	185,489	-
TERF National Bank of Pakistan Assistance for plant and machinery	500,000	499,712	16 half yearly installments 06-Apr-21	06-Apr-31	1.25% over SBP Refinance rate	442,889	12,189
Islamic						1,334,275	968,106
i) ILTFF							
Meezan Bank Limited Assistance for plant and machinery	700,000	792,312	32 quarterly installments 17-Oct-20	13-Mar-30	3.00% over SBP Refinance rate	447,402	508,059
ii) Payroll Refinance Scheme							
Faysal Bank Limited's Payroll finance facility	343,521	348,263	8 quarterly installments 01-Apr-21	01-Jan-23	0.75% - 1.00% over SBP Refinance rate	128,820	300,580
iii) LTF							
Habib Bank Limited Assistance for plant and machinery	5,000,000	5,625,000	10 half yearly installments 05-Jun-20	05-Dec-24	0.10% over 06 months KIBOR	2,450,000	3,430,000
таоппогу			00-0u11-20		NIDOTT	3,026,222	4,238,639
						4,360,497	5,206,745

16.5.1 The above loans are secured against joint pari passu charge and ranking charge over fixed assets of the Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs. 13,469 million.

- **16.5.2** In relation to above borrowings, the Company needs to observe certain financial covenants (such as debt servicing ratio, current ratio, debt equity ratio etc.) and other non financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.
- **16.5.3** During the year, mark-up paid on conventional long term finance is Rs. 57.18 million (2021: Rs. 67.32 million) whereas mark-up paid on Islamic long term finance is Rs. 336.01 million (2021: Rs. 379.39 million).

17. DEFERRED INCOME - 0	GOVERNMENT GRANT	Note	2022 (Rupees	2021 sin '000)
Balance at beginning of t	he year		13,449	18,370
Deferred grant recognise	d during the year	17.1	174,937	15,620
Government grant recog	nised in income	30	(26,230)	(20,541)
Balance at end of the year	ar		162,156	13,449
Less: current portion of d	eferred income -			
Government grant			(25,606)	(12,431)
			136,550	1,018

17.1 This represents grant obtained in respect of SBP's Refinance Scheme for Payment of Wages and Salaries as at concessionary rates. In accordance with the terms of the loans, the Company was not allowed to lay-off the employees atleast for three months from the date of loan. Additionally, the grant was also recognized in respect of SBP's Temporary Economic Refinance Facility (TERF) obtained for import of Plant and Machinery.

18 GAS INFRASTRUCTURE DEVELOPMENT CESS

In the prior year, the Honorable Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The SCP on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under its Section 8(2) to the industrial sector is also available. Further, payment of due GIDC was allowed in 48 installments instead of 24 installments.

The Company has also filed a civil suit before the Honourable High Court of Sindh (SHC) on the ground that the Company has not passed on the burden of cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Company has revalued and recorded the payable at its present value by discounting the future cash flows using three year PKRV rate and has booked income of Rs. 49.42 million (2021: Rs. 183.64 million), which has been recorded as other income. The unwinding of the GIDC during the year amounts to Rs. 76.997 million (2021: Rs. 40.84 million).

Despite the speaking order dated August 13, 2020 by the SCP, the Federal Government did not initiate the gas project within six months, therefore, during the year the Company has filed a petition in the SHC challenging the decision of the SCP.

18.1 Following is the carrying amount of provision for GIDC and the movement during the year:

Current portion
Non current portion
Total

Balance as at July 01
Remeasurement
Recognised during the year
Payments

Balance as at June 30

2021
s in '000)
403,265 708,956
1,112,221
1,255,017 (183,637) 40,841
1,112,221

19. DEFERRED TAXATION

Deferred tax liability comprises (deductible) / taxable temporary differences in respect of the following:

Note	2022	2021
	(Rupees	s in '000)
Taxable temporary difference		
Accelerated tax depreciation	1,845,349	2,295,044
Revaluation surplus on buildings 15	428,919	177,425
	2,274,268	2,472,469
Deductible temporary differences		
Provision for compensated absences	(3,640)	(2,816)
Unrealised exchange gains / (losses)	5,550	(9,329)
Provision for Infrastructure Cess	(494,953)	(345,846)
Provision for government levies	(164)	(654)
Provision for net realisable value written down		
against stores and spares	(48,165)	(39,045)
Provision for lease liabilities	(3,411)	(5,860)
Gas Infrastructure Development Cess	(24,324)	(36,922)
	(569,107)	(440,472)
	1,705,161	2,031,997

- 19.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.
- 19.2 Deferred tax liability is restricted to 72.80% (2021: 89.16%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.
- 19.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for subsequent years. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

20. TRADE AND OTHER PAYABLES

	Note	2022	2021
		(Rupees	in '000)
Trade creditors	20.1	434,497	1,905,134
Accrued expenses	20.2	2,574,838	2,048,316
Provision for Infrastructure Cess	20.3.1	2,596,977	1,625,091
Workers' Welfare Fund	20.4	330,148	361,961
Workers' Profit Participation Fund	20.6	430,147	553,765
Deferred income - Government grant	17	25,606	12,431
Provision for Government levies	20.7	778	2,531
Short term compensated absences		17,242	10,892
Others		60,244	67,530
		6,470,477	6,587,651

- **20.1** These include payable to Sumitomo Corporation, related party of the Company, amounting to Nil (2021: Rs. 1,197.41 million).
- **20.2** These include current portion of provision for Gas Infrastructure Development Cess amounting to Rs. 713.28 million (2021: Rs. 403.26 million) and provision against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs. 688.38 million (2021: Rs. 610.26 million).

20.3 The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006 is required to clear the goods on paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Subsequently through Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh Infrastructure Cess.

The case was decided on June 04, 2021 by the SHC. The SHC declared first four versions of the law unconstitutional and the release of bank guarantees were ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 03, 2021. The Company was not satisfied with the above orders and filed an appeal with the Supreme Court of Pakistan.

On September 01, 2021, the Supreme Court granted a stay order against the operation of the order of SHC dated June 04, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of High Court is valid and enforceable. The court further ordered that imports should be released on submission of fresh bank guarantees equivalent to 100% of the fee amount under the Act.

Bank guarantees issued as per the above mentioned orders amounting to Rs. 2,622.5 million (2021: Rs. 1,667.5 million) have been provided to the Excise and Taxation Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis.

20.3.1 Provision for Infrastructure Cess

This represents provision against fifty percent amount guaranteed to Excise and Taxation Officer (refer 20.3 note).

Balance at beginning of the year Provided during the year Balance at end of the year

2022	2021				
(Rupees in '000)					
1,625,091 971,886	1,320,075 305,016				
2,596,977	1,625,091				

20.4 The Company filed a constitutional petition in the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. Stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971.

20.5 Workers' Welfare Fund

Balance at beginning of the year Charge on workers' welfare fund Payment during the year Balance at end of the year

20.6 Workers' Profit Participation Fund

Balance at beginning of the year Allocation for the year Interest on workers' profit participation fund Payment during the year Balance at end of the year

20.7 Provision for Government levies - stamp duty

Balance at beginning of the year Provided during the year Payment during the year Balance at end of the year

2022	2021
(Rupees	s in '000)
361,961	149,278
172,060	227,081
(203,873)	(14,398)
330,148	361,961
	-

Note

29

2022	2021
(Rupees	s in '000)
553,765	1,290
430,148	553,773
6,078	-
(559,844)	(1,298)
430,147	553,765

2022	2021
(Rupees	s in '000)
2,531	2,047
2,100	2,773
(3,853)	(2,289)
778	2,531

21. CONTRACT LIABILITIES

Sales commission payable

Advances from customers - unsecured

2022	2021		
(Rupees	s in '000)		
14,672	8,485		
2,275,554	1,268,954		
2,290,226	1,277,439		

21.1 100% (2021: 100%) advances from customers included in the contract liabilities balance at the beginning of the year got converted into revenue during the year.

22. SHORT TERM BORROWINGS - SECURED

	Note	2022	2021
		(Rupees	in '000)
Conventional			
Short term finance under mark-up			
arrangement	22.1	1,210,002	359,255
Short-term borrowing under Money	22.4		
Market scheme	22.1		
Maturing after three months Maturing within three months		- 6,950,000	1,850,000
Punning finance under Eynert		6,950,000	1,850,000
Running finance under Export Refinance Scheme	22.2	4,932,781	2,800,000
Islamic Short term finance under Running Musharakah	22.3	566,770	367,233
Term Musharakah			
Maturing after three months		-	-
Maturing within three months		1,700,000	-
		1,700,000	-
Running finance under Islamic			
Export Refinance Scheme	22.4	2,000,000	1,419,857
		17,359,553	6,796,345

- 22.1 The facilities for short term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from 11.95% to 14.61% (2021: 7.37% to 8.28%) per annum.
- 22.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The rate of mark-up on this facility is 2.50% to 7.50% (2021: 2.75% to 3.00%) per annum. This facility matures within six months and is renewable.
- 22.3 The facility is for short term finance under Running Musharakah available from various Islamic Banks for the purpose of meeting working capital requirement. The rate of profit is 11.99% to 12.46% (2021: 7.39% to 7.68%) per annum.
- 22.4 The Company has availed this year short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from an Islamic bank. The rate of mark-up on this facility is 3.00% to 7.50% per annum. This facility matures within six months and is renewable.
- 22.5 The unavailed facilities as at June 30, 2022 from the above borrowings amounted to Rs. 8,900 million (2021: Rs. 16,714 million).
- 22.6 The above facilities are secured by way of joint pari passu charge and ranking charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 34,681 million.

23. CONTINGENCY AND COMMITMENTS

23.1 Contingency

Description of the factual basis of the proceedings and relief sought	Name of the Court	Principal parties	Date instituted
A petition was filed before the Sindh High Court seeking order for the issuance of quota for concessionary import under SRO 565; release of 85,000 tons of HRC arrived at the Port in November 2019 and for future shipments.	· ·	I.S.L vs Federation of Pakistan/Director IOCO/The Chief Collector (South)	4-Nov-19
SHC granted release of 85,000 tons of HRC against submission of bank guarantee for the differential amount of duty & taxes amounting to Rs. 1,651 million. In a separate order SHC instructed the authorities to allow provisional quote subject to submission of bank guarantee for the difference of duty & taxes. As ordered, the Input-Output Co-efficient Organisation (IOCO) is issuing quota equivalent to ordered/shipped quantity of raw materials on case to case basis.			

23.2 Commitments

- **23.2.1** Capital expenditure commitments outstanding as at June 30, 2022 amounted to Rs. 225.09 million (2021: Rs.696.21 million).
- **23.2.2** Commitments under Letters of Credit for raw materials and spares as at June 30, 2022 amounted to Rs. 2,791.76 million (2021: Rs. 20,156.29 million).
- 23.2.3 The facilities for opening letters of credit and guarantees from banks as at June 30, 2022 amounted to Rs. 32,300 million (2021: Rs. 20,852 million) and Rs. 7,390 million (2021: Rs. 4,227.54 million) respectively of which unutilised balance at period end amounted to Rs. 29,283 million (2021: Rs. 8,431 million) and Rs. 479.00 million (2021: Rs. 304.96 million) respectively.
- 23.2.4 Post-dated cheques issued in favour of Collector of Customs for the concession availed on account of special rate of duties and taxes on import of Hot Rolled Coils under SRO 565 and manufacturing bond as at June 30, 2022 amounted to Rs. 3,479 million (2021: Rs. 4,591.72 million).

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of goods less returns:

Local Export

Sales tax Trade discounts Sales commission

2022	2021			
(Rupees	s in '000)			
86,324,979	68,857,175			
18,651,733	11,852,455			
104,976,712	80,709,630			
(12,602,944)	(10,082,081)			
(172,907)	(98,539)			
(777,163)	(732,770)			
(13,553,014)	(10,913,390)			
91,423,698	69,796,240			

24.1 The domestic sales revenue includes Rs. 9,154.46 million (2021: Rs. 4,644.33 million) on account of sales from manufacturing facility located at National Industrial Parks, Bin Qasim Industrial Park, Karachi which is a Special Economic Zone.

24.2 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	Note
Primary geographical markets Local Asia Europe Australia North and South America Africa	
Major product lines Cold rolled Galvanized product By-product	

2022	2021		
(Rupees	s in '000)		
72,771,965	57,943,785		
6,698,130	4,976,320		
1,315,430	331,630		
688,942	92,034		
9,267,347	5,164,798		
681,884	1,287,673		
91,423,698	69,796,240		
36,864,583	25,607,724		
51,326,781	41,352,641		
3,232,334	2,835,875		
91,423,698	69,796,240		

Raw material consumed Section		Note	2022	2021
Raw material consumed 3,041,826 6,655,805 Purchases 49,216,066 49,126,066 Closing stock of raw material 8 (12,626,302) 55,871,871 Closing stock of raw material 8 (12,626,302) 55,871,871 Manufacturing overheads 52,1830,045 Salaries, wages and benefits 25.1 829,863 1,533,200 1,512,522 Insurance 33,109 31,430 31,430 31,430 31,430 31,432 32,755 31,142 31,22 31			(Rupees	s in '000)
Opening stock of raw material Purchases 3,041,826 88,383,76 49,216,066 49,216,066 49,216,066 49,216,066 55,871,871 871,871 Closing stock of raw material 8 (12,626,302) (3,041,826) 55,871,871 55,871,871 55,871,871 55,871,871 55,871,871 56,871,871 56,871,871 56,871,871 57,879,9100 52,830,045 58,830,904 59,830,004 58,830,904 59,830,004 58,830,904 58,830,904 59,330,90 51,512,522 18,830,200 15,125,222 18,130,90 31,430 36,130 30,143,90 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,420 31,221 312 312 31,221 31,221 31,221 31,221 31,221 31,221 31,22<	COST OF SALES			
Purchases 88,383,576 49,216,066 Closing stock of raw material 8 49,216,066 91,425,402 55,871,871 (3,041,826) 55,871,871 (3,041,826) 55,871,871 (3,041,826) 55,871,871 78,799,100 52,830,045 55,871,871 78,799,100 52,830,045 52,830,045 52,830,045 68,833,576 829,863 690,384 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,513,530,00 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,243 31,430 31,242	Raw material consumed			
Closing stock of raw material 8 12,626,302 (3,041,826) 78,799,100 52,830,045 78,799,100 52,830,045 78,799,100 52,830,045 78,799,100 52,830,045 829,863 690,384 1,512,522 Insurance 25.1 829,863 690,384 1,512,522 Insurance 33,109 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,235 31,442 1,359,285 31,142 1,359,285 31,142 1,359,285 31,142 1,359,285 31,242 1,350,285 1,389,844 Amortisation 6 312	·			1 ' '
Closing stock of raw material 8 12,626,302 (3,041,826) 78,799,100 52,830,045 78,799,100 52,830,045 78,799,100 52,830,045 78,799,100 52,830,045 829,863 690,384 1,512,522 Insurance 25.1 829,863 690,384 1,512,522 Insurance 33,109 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,430 31,235 31,442 1,359,285 31,142 1,359,285 31,142 1,359,285 31,142 1,359,285 31,242 1,350,285 1,389,844 Amortisation 6 312			91,425,402	55,871,871
Manufacturing overheads Salaries, wages and benefits 25.1 829,863 690,384 Electricity, gas and water 1,533,200 1,512,522 Insurance 33,109 31,430 Security and janitorial 35,755 31,142 Depreciation 4.1.1 1,359,285 1,389,844 Amortisation 6 312 312 312 Stores and spares consumed 147,053 152,153 152,153 Provision for net realisable value written down against stores and spares 77,127 77,594 Provision for obsolescence against capital spares 26,231 48,181 Repairs and maintenance 6,720 7,200 Postage, telephone and stationery 6,720 7,200 Vehicle, travel and conveyance 48,489 32,045 Internal material handling 26,719 8,489 Environment management expense 6,918 3,682 Computer stationery and software support fees 29,275 19,071 Partial manufacturing expense 1,853,342 57,012,380 Work-in-process	Closing stock of raw material	8	(12,626,302)	(3,041,826)
Salaries, wages and benefits 25.1 829,863 690,384 Electricity, gas and water 1,512,522 33,109 31,430 Insurance 35,755 31,142 Security and janitorial 4.1.1 1,359,285 1,389,844 Amortisation 6 312 312 Stores and spares consumed 147,053 152,153 Provision for net realisable value written down against stores and spares 77,127 77,594 Provision for obsolescence against capital spares 26,231 48,181 Repairs and maintenance 6,720 7,200 Vehicle, travel and conveyance 48,489 32,045 Internal material handling 26,719 8,489 Environment management expense 6,918 3,682 Computer stationery and software support fees 29,275 19,071 Partial manufacturing expense 33,147,826 4,182,335 Solutions 4,348,726 4,182,335 Solutions 1,853,342 2,532,031 Closing stock 1,853,342 2,532,031 Closing stock 6,899,025 5,512,323 Closing			78,799,100	52,830,045
1,533,200 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,512,522 1,513,109 31,430 31,243 31,2		05.4		222.224
Insurance 33,109 31,430 Security and janitorial 25,755 31,142 Depreciation 4.1.1 4.1.1 4.1.1 4.1.1 4.1.5 4.1.1 4.1		25.1		
Security and janitorial 35,755 31,142 Depreciation 4.1.1 1,359,285 1,389,844 Amortisation 6 312 312 Stores and spares consumed 147,053 152,153 Provision for net realisable value written down against stores and spares 77,127 77,594 Provision for obsolescence against capital spares 154,427 140,843 Repairs and maintenance 154,427 140,843 Postage, telephone and stationery 6,720 7,200 Vehicle, travel and conveyance 48,489 32,045 Internal material handling 26,719 8,489 Environment management expense 6,918 3,682 Computer stationery and software support fees 29,275 19,071 Partial manufacturing expense 29,275 19,071 Sundries 1,383,342 57,012,380 Work-in-process 3,147,826 57,012,380 Opening stock 8 1,853,342 2,532,031 Closing stock 79,685,744 57,691,069 Finished goods, scrap materi				
Depreciation			· '	· /
Amortisation 6 312 312 Stores and spares consumed 6 147,053 152,153 152,153 Provision for net realisable value written down against stores and spares 77,127 77,594 147,053 152,153 152,153 Provision for obsolescence against capital spares Provision for obsolescence against capital spares 26,231 48,181 Repairs and maintenance 154,427 140,843 Postage, telephone and stationery 6,720 7,200 Vehicle, travel and conveyance 154,427 140,843 32,045 Internal material handling 154,427 140,843 32,045 Internal material handling 154,427 154,849 32,045 Internal material handling 154,427 154,849 32,045 154,719 8,489 32,045 154,7		4.1.1	,	
Provision for net realisable value written down against stores and spares 77,127 77,594 Provision for obsolescence against capital spares 26,231 48,181 Repairs and maintenance 5,720 7,200 Vehicle, travel and conveyance 48,489 32,045 Internal material handling 26,719 8,489 Environment management expense 6,918 3,682 Computer stationery and software support fees 29,275 19,071 Partial manufacturing expense 29,275 19,071 Sundries 34,243 37,243 Work-in-process 83,147,826 57,012,380 Opening stock 1,853,342 2,532,031 Closing stock 8 (5,315,424) (1,853,342) Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Opening stock 6,899,025 5,512,323 Closing stock 8 (7,542,380) (6,899,025)	·	6		
Provision for obsolescence against capital spares Repairs and maintenance Postage, telephone and stationery Vehicle, travel and conveyance Internal material handling Environment management expense Computer stationery and software support fees Sundries Work-in-process Opening stock Closing stock Cost of goods manufactured Finished goods, scrap material and by-products: Opening stock Closing			147,053	152,153
Repairs and maintenance	·			
Postage, telephone and stationery Vehicle, travel and conveyance Internal material handling Environment management expense Computer stationery and software support fees Partial manufacturing expense Sundries Work-in-process Opening stock Closing stock Cost of goods manufactured Finished goods, scrap material and by-products: Opening stock Closing st			·	
Vehicle, travel and conveyance 48,489 32,045 Internal material handling 26,719 8,489 Environment management expense 6,918 3,682 Computer stationery and software support fees 29,275 19,071 Partial manufacturing expense - 200 Sundries 34,243 37,243 Work-in-process 83,147,826 57,012,380 Work-in-process 1,853,342 2,532,031 Closing stock 8 (5,315,424) (1,853,342) Closing stock 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Closing stock 8 (7,542,380) (6,899,025) Closing stock 8 (7,542,380) (6,899,025)			,	· '
Internal material handling Environment management expense Computer stationery and software support fees Computer stationery and software support fees Partial manufacturing expense Sundries Work-in-process Opening stock Closing stock Closing stock Cost of goods manufactured Finished goods, scrap material and by-products: Opening stock Closing stock Closing stock Closing stock Rinished goods, scrap material and by-products: Opening stock Closing stock Rinished goods, scrap material and by-products: Opening stock Closing stock Rinished goods, scrap material and by-products: Opening stock Rinished goods, scrap mater			, , , , , , , , , , , , , , , , , , ,	
Environment management expense Computer stationery and software support fees Partial manufacturing expense Sundries - 200 34,243 37,243 4,348,726 4,182,335 83,147,826 57,012,380 Work-in-process Opening stock Closing stock Rose of goods manufactured Finished goods, scrap material and by-products: Opening stock Closing stock Closing stock Rose of goods manufactured Finished goods, scrap material and by-products: Opening stock Rose of goods manufactured Rose of goods manufac			, , , , , , , , , , , , , , , , , , ,	· /
Computer stationery and software support fees 29,275 19,071 Partial manufacturing expense - 200 Sundries 34,243 37,243 4,348,726 4,182,335 83,147,826 57,012,380 Work-in-process Opening stock 1,853,342 2,532,031 Closing stock (5,315,424) (1,853,342) Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Closing stock 8 (7,542,380) (6,899,025) Closing stock 8 (643,355) (1,386,702)	•		,	· '
Partial manufacturing expense Sundries - 200 34,243 37,243 4,348,726 4,182,335 44,348,726 57,012,380 83,147,826 57,012,380 83,147,826 57,012,380 83,147,826 57,012,380 83,147,826 57,012,380 84,243 2,532,031 (1,853,342) (1,8				
Work-in-process 4,348,726 4,182,335 Opening stock 1,853,342 2,532,031 Closing stock (5,315,424) (1,853,342) Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Opening stock 6,899,025 (6,899,025) Closing stock 8 (7,542,380) (6,899,025) (643,355) (1,386,702)			_	
Work-in-process 57,012,380 Opening stock 1,853,342 (5,315,424) 2,532,031 (1,853,342) Closing stock (3,462,082) 678,689 Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 (7,542,380) 5,512,323 (6,899,025) Opening stock 8 (7,542,380) (6,899,025) (643,355) (1,386,702)	Sundries		34,243	37,243
Work-in-process 1,853,342 2,532,031 Closing stock 8 (5,315,424) (1,853,342) (3,462,082) 678,689 Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Opening stock 8 (7,542,380) (6,899,025) Closing stock 8 (7,542,380) (6,899,025)			4,348,726	4,182,335
Opening stock 1,853,342 2,532,031 Closing stock (5,315,424) (1,853,342) (3,462,082) 678,689 Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Closing stock 8 (7,542,380) (6,899,025) (643,355) (1,386,702)			83,147,826	57,012,380
Closing stock 8 (5,315,424) (1,853,342) (3,462,082) 678,689 Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: Opening stock 6,899,025 (5,512,323 (6,899,025) (643,355) (1,386,702)			4 050 040	0.500.004
Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: Opening stock Closing stock 8 (6,899,025) (6,899,025) (643,355) (1,386,702)	1 0	0	, ,	
Cost of goods manufactured 79,685,744 57,691,069 Finished goods, scrap material and by-products: 6,899,025 5,512,323 Closing stock (7,542,380) (6,899,025) (643,355) (1,386,702)	Closing stock	8		
Finished goods, scrap material and by-products: Opening stock Closing stock 8 6,899,025 (7,542,380) (6,899,025) (643,355) (1,386,702)			(3,462,082)	678,689
Opening stock 6,899,025 5,512,323 Closing stock (7,542,380) (6,899,025) (643,355) (1,386,702)	_		79,685,744	57,691,069
Closing stock 8 (7,542,380) (6,899,025) (643,355) (1,386,702)			6 900 025	E E10 200
(643,355) (1,386,702)		8		
79,042,389 56,304,367	-			
			79,042,389	56,304,367

25.

25.1 These include Rs. 15.88 million (2021: Rs. 13.41 million) in respect of contribution to provident fund, Rs. 22.73 million (2021: Rs. 25.94 million) in respect of gratuity fund and Rs. 6.30 million (2021: Rs. 7.90 million) in respect of compensated absences.

26. SELLING AND DISTRIBUTION EXPENSES

Note	2022	2021
	(Rupees	s in '000)
Salaries, wages and benefits 26.1	137,414	116,993
Rent, rates and taxes	478	103,549
Electricity, gas and water	4,098	3,580
Insurance	7,609	4,221
Depreciation 4.1.1	13,056	9,860
Depreciation on right-of-use assets 5.1.1	15,088	15,861
Postage, telephone and stationery	5,480	4,344
Vehicle, travel and conveyance	20,491	12,306
Freight and forwarding	1,291,624	677,442
Sales promotion	101,031	102,172
Others	15,259	12,668
	1,611,628	1,062,996

26.1 These include Rs. 4.29 million (2021: Rs. 3.55 million) in respect of contribution to provident fund, Rs. 1.72 million (2021: Rs. 1.71 million) in respect of gratuity fund and Rs. 0.15 million (2021: Rs. 0.15 million) in respect of compensated absences.

27. ADMINISTRATIVE EXPENSES

Note	2022	2021
	(Rupees	s in '000)
Salaries, wages and benefits 27.1	208,233	189,465
Rent, rates and taxes	229	965
Electricity, gas and water	1,780	2,012
Insurance	3,170	2,977
Depreciation 4.1.1	14,050	8,454
Depreciation on right-of-use assets 5.1.1	3,165	1,914
Security and janitorial services	534	3,499
Printing and stationery	1,258	1,153
Computer stationery and software support fees	112	42
Postage and communication	573	702
Vehicle, travel and conveyance	12,139	9,770
Legal and professional charges	70,582	106,147
Certification and registration charges	4,126	2,909
Directors' fee	6,800	9,500
Others	13,057	22,010
	339,808	361,519

27.1 These include Rs. 6.67 million (2021: Rs. 5.94 million) in respect of contribution to provident fund, Rs. 4.85 million (2021: Rs. 4.18 million) in respect of gratuity fund.

28. FINANCE COST

Note	2022	2021
	(Rupees	s in '000)
Conventional		
- Interest on long term financing	70,453	63,645
- Interest on short term borrowings	585,797	215,882
	656,250	279,527
Islamic		
- Mark-up on long term financing	355,456	374,660
- Mark-up on short term borrowings	159,176	51,753
	514,632	426,413
Bank charges	65,950	62,356
Unwinding of Gas Infrastructure		
Development Cess	76,997	40,841
Interest on Workers' Profit Participation Fund	6,078	-
Interest on lease liabilities 5.2. 1	2,677	2,794
	1,322,584	811,931

2021

2022

Note

29. OTHER OPERATING CHARGES

		(Rupees in '000)	
Auditors' remuneration	29.1	2,695	2,647
Donations	29.2	85,590	105,160
Workers' Profit Participation Fund	20.6	430,148	553,773
Workers' Welfare Fund		172,059	227,081
Impairment loss on property, plant and equipment		-	387,998
Exchange loss		617,018	
		1,307,510	1,276,659

29.1 Auditors' remuneration

Auditors' remuneration	2022	2021
	(Rupee:	s in '000)
Audit services		
Annual audit fee	1,628	1,629
Half yearly review	443	443
Out of pocket expenses	298	241
	2,369	2,313
Non-audit services		
Certifications for regulatory purposes	326	334
	2,695	2,647

29.2 Donations

29.2.1 Donation to the following organization exceeds 10% of total amount of donations made or Rs.1 million, whichever is higher.

Amir Sultan Chinoy Foundation
SINA Health Education and Welfare Trust
Sindh Institute of Urology and Transplantation
Habib University Foundation

2022	2021
(Rupees	s in '000)
25,000	47,100
12,000	12,000
10,000	10,000
10,000	10,000
57,000	79,100

29.2.2 Donations to entities in which directors are interested are as follows:

Name	Interest	Name and address of the	Amount	Donated
of Director	in Donee	Donee	2022	2021
			(Rupee	s in '000)
Mr. Samir M. Chinoy	Chairman	Amir Sultan Chinoy Foundation	25,000	47,100
·		101, Beaumont Plaza, 10 Beaumont Road, Karachi.		
Spouse of Mr. Samir	Director	Karwan-e-Hayat	3,000	1,000
M. Chinoy		101, Al-Noor Arcade, Near Qamar-ul-Islam Mosque,		
		Khayaban-e-Jami, Karachi		
Dr. Amjad Waheed	Trustee	Layton Rahmatullah Benevolent Trust	2,000	2,000
		LRBT House, 37-C, Sunset Lane No. 4		
		Off 24th Commercial Street, Phase-II Ext.		
		DHA, Karachi-75500.	30,000	50,100

30. OTHER INCOME

30.1

OTHER INCOME			
	Note	2022	2021
		(Rupees	s in '000)
Income from non-financial assets			
(Loss) / income from power generation	30.1	(11,786)	11,965
Gain on sale of property, plant and equipment		69,566	13,554
Rental income		2,778	2,439
Gain on remeasurement of Gas Infrastructure Development Cess		49,415	183,637
Exchange gain		-	11,113
Gain on termination / re-assessment of lease		1,029	2,374
Others		37,054	30,597
		148,056	255,679
Income from financial assets		,	,
Income on bank deposit - conventional		26,685	39,613
Government grant	17	26,230	20,541
		52,915	60,154
		200,971	315,833
Loss) / income from power generation			
,		2022	2021
		(Rupees	in '000)
Revenue		356,392	523,047
Cost of electricity produced:			
Salaries, wages and benefits	30.1.1	32,942	27,013
Electricity, gas and water		1,098,925	1,319,642
Depreciation	4.1.1	111,491	111,467
Stores and spares consumed		23,244	22,886
Repairs and maintenance		43,686	59,497
Sundries		6,344	1,553
		1,316,632	1,542,058
Less: Self consumption		(948,454)	(1,030,976)

- **30.1.1** These include Rs. 0.60 million (2021: Rs 0.51 million) in respect of contribution to provident fund, Rs. 1.11 million (2021: Rs. 1.29 million) in respect of gratuity fund.
- **30.1.2** The Company has electricity power generation facility at its premises. The Company has generated electricity in excess of its requirements which is supplied to K-Electric Limited under an agreement. The agreement is valid for period up to 20 years w.e.f. August 31, 2007.

31. INCOME TAX (EXPENSE) / CREDIT

Income from power generation

Current - for the	ne year
Deferred	

2022	2021
(Rupees	s in '000)
(3,175,375)	(2,768,058)
586,815	(60,212)
(2,588,560)	(2,828,270)

368,178

(11,786)

511,082

11,965

31.1 Relationship between income tax expense and accounting profit

and decomming prom	2022	2021	2022	2021
	(Effective tax rate %)		(Rupees	in '000)
Profit before taxation			8,000,750	10,294,601
Tax at the enacted tax rate	(29.00)	(29.00)	(2,320,218)	(2,985,434)
Effect of super tax	(8.95)	-	(716,328)	-
Effect of income under final tax regime & minimum	1.88	3.54	150,724	364,386
tax regime				
Effect of tax credit	0.20	0.07	16,174	7,167
Change in normal tax regime ratio	3.65	(2.35)	292,187	(242,009)
Others	(0.14)	0.27	(11,099)	27,620
	(32.36)	(27.47)	(2,588,560)	(2,828,270)

32. EARNINGS PER SHARE - BASIC AND DILUTED

AND DILUTED	Note	2022 (Rupees	2021 s in '000)
Profit for the year attributable to ordinary shareholders		5,412,190	7,466,331
Weighted average number of ordinary shares outstanding during the year	14	(Num	435,000,000
		(Rup	ees)
Earnings per share - basic and diluted		12.44	17.16

32.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2022 and 2021.

33. CASH GENERATED FROM OPERATIONS

	Note	2022	2021
		(Rupees in '000)	
Profit before income tax		8,000,750	10,294,601
Adjustments for non cash charges			
& other income			
Depreciation of property, plant			
and equipment	4.1.1	1,497,882	1,519,625
Depreciation of right-of-use assets	5.1.1	18,253	17,775
Amortisation of intangible assets	6	312	312
Impairment of property, plant and equipment	29	-	387,998
Gain on remeasurement of Gas Infrastructure Development Cess	30	(49,415)	(183,637)
Unwinding of Gas Infrastructure Development Cess	28	76,997	40,841
Provision for net realisable value written down against stores and spares	25	77,127	77,594
Provision for obsolescence against capital spares	25	26,231	48,181
Provision for staff retirement benefits	11	29,530	33,092
Provision for compensated absences		10,395	10,583
Income on bank deposits-conventional	30	(26,685)	(39,613)
Gain on disposal of property, plant and equipment	30	(69,566)	(13,554)
Government grant income	30	(26,230)	(20,541)
Gain on termination / re-assessment of lease	30	(1,029)	(2,374)
Finance cost	28	1,245,587	771,090
		10,810,139	12,941,973
Changes in working capital	33.1	(11,212,070)	(2,830,614)
		(401,931)	10,111,359

33.1 Changes in working capital

(Increase) / decrease in current assets Stores and spares Stock-in-trade Trade debts Receivable from K-Electric Limited (KE) Advances, trade deposits and prepayments Sales tax receivable
Increase / (decrease) in current liabilities Trade and other payables Contract liabilities

2022	2024
2022	2021 s in '000)
(nupee:	5 111 000)
(304,471)	(85,316)
(13,115,284)	(1,949,163)
(94,287)	75,899
(5,954)	12,473
1,814,880	(1,790,071)
(163,197)	2,457,038
(11,868,313)	(1,279,140)
(356,544)	(1,451,517)
1,012,787	(99,957)
(11,212,070)	(2,830,614)

34. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		(Rupees	in '000)
Cash and bank balances	13	896,462	292,511
Running finance under mark-up			
arrangement from banks	22	(1,210,002)	(359,255)
Short-term borrowing under			
Money Market scheme	22	(6,950,000)	(1,850,000)
Term Musharakah		(1,700,000)	-
Short-term borrowing under			
Running Musharakah	22	(566,770)	(367,233)
		(9,530,310)	(2,283,977)

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		
	2022	2021	2022	2021	2022	2021	
			(Rupees	in '000)			
Managerial remuneration	27,146	27,146	13,662	11,340	179,643	139,543	
Bonus	9,048	9,048	4,554	3,780	56,778	43,380	
Retirement benefits	3,392	3,392	1,707	1,440	21,845	16,590	
Rent, utilities, leave encashment etc.	13,573	13,573	6,831	5,670	90,090	69,771	
Directors' fee	-	-	6,800	9,500	-	-	
	53,159	53,159	33,554	31,730	348,356	269,284	
Number of persons	1	1	10	12	61	50	

- **35.1** The Chief Executive Officer, Directors and certain Executives are provided with Company maintained vehicles whereas, the Chief Executive Officer and Chief Operating Officer are also provided with security guards in accordance with the Company's policy.
- **35.2** Fee paid to 9 (2021: 11) non-executive directors is Rs. 6.80 million (2021: Rs. 9.50 million) on account of meetings attended by them.
- 35.3 Reimbursement of chairman's expenses was Nil (2021: Rs. 3.60 million).

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

36.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

36.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Note	2022	2021
	(Rupees in '000)	
- Long term deposit with Central Depository		
Company of Pakistan Limited	100	100
- Trade debts 9	1,034,132	939,845
- Trade deposits and margin against shipping guarantee 10	44,194	76,773
- Receivable from K-Electric Limited	32,874	26,920
- Bank balances 13	896,462	292,511
	2,007,762	1,336,149

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Long term deposit with Central Depository Company of Pakistan Limited (CDC)

This represents long term deposits with CDC. The Company does not foresee any credit exposure there against as the amounts are paid to counterparty as per agreement and is refundable on termination of the agreement with respective counterparty.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.

Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Receivable from K-Electric Limited

The receivable from K-Electric Limited amounting to Rs. 32.87 million (2021: Rs. 26.92 million) on account of electricity provided to it under an agreement from the power plant located at the factory site. The Company does not expect to incur credit loss against this receivable.

Analysis of gross amounts receivable from local and foreign trade debtors and from K-Electric Limited are as follows:

Domestic Export 2022 2021
(Rupees in '000)

244,909 106,477
822,097 860,288

1,067,006 966,765

36.1.2 Impairment losses

The aging of trade debtors and receivable from K-Electric Limited (KE) at the reporting date was as follows:

Not past due
Past due 1-60 days
Past due 61 + days
Total

20	22	20	21			
Gross	Impairment	Gross Impairme				
(Rupees in '000)						
679,081	-	871,221	-			
387,869	-	95,501	-			
56	-	43	-			
1,067,006	-	966,765	-			

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rat	ing
		Short term	Long term
Habib Bank Limited	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Bank Al Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	Α
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Samba Bank Limited	VIS	A1	AA
Industrial and Commercial Bank of China	Moody's	-	A1
National Bank of Pakistan	PACRA	A1+	AAA

36.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

36.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
			(Rupees	in '000)		
Financial liabilities						
Long term financing	4,198,341	(5,213,977)	(962,141)	(889,005)	(3,005,513)	(357,318)
Short-term borrowings	17,359,553	(17,359,553)	(17,359,553)	-	-	-
Accrued mark-up	271,013	(271,013)	(271,013)	-	-	-
Trade and other payables	494,741	(494,741)	(494,741)	-	-	-
Lease liabilities	64,941	(64,941)	(64,941)	-	-	-
Unclaimed dividend	10,301	(10,301)	(10,301)	-	-	-
-	22,398,890	(23,414,526)	(19,162,690)	(889,005)	(3,005,513)	(357,318)

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
			(Rupees	in '000)		
Financial liabilities						
Long term financing	5,193,296	(5,995,118)	(910,430)	(883,700)	(4,039,050)	(161,938)
Short-term borrowings	6,796,345	(6,796,345)	(6,796,345)	-	-	-
Accrued mark-up	78,728	(78,728)	(78,728)	-	-	-
Trade and other payables	1,972,664	(1,972,664)	(1,972,664)	-	-	-
Lease liabilities	22,663	(23,936)	(10,902)	(11,062)	(1,972)	-
Unclaimed dividend	8,798	(8,798)	(8,798)	-	-	-
_	14,072,494	(14,875,589)	(9,777,867)	(894,762)	(4,041,022)	(161,938)

- **36.2.1** The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.
- **36.2.2** Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

36.3 Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

Management assessed that the fair values of cash and cash equivalents and short-term deposits, receivable from K-Electric Limited (KE), trade debts, trade payables, short term borrowings and other current liabilities approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit assets and long term liabilities, management considers that their carrying values approximate fair value owing to credit standing of counterparties and interest payable on borrowings is at market rate.

36.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

Financial assets Bank balance Trade debts
Financial liabilities Trade creditors
Net exposure

20	22	20	21
Rupees	US Dollars	Rupees	US Dollars
	(Amount	s in '000)	
402,149 822,098	1,970 4,027	219,072 860,288	1,394 5,475
(153,380)	(750)	(1,416,398)	(8,993)
1,070,867	5,247	(337,038)	(2,124)

The following significant exchange rates applied during the year:

Average rates		Reporting date rate			
2022	2021	2022	2021		
(Rupees)					
181.04	160.47	204.59	157.49		

US Dollars to PKR

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the US Dollar at June 30, 2022 would have increased / (decreased) the profit by Rs. 72.4 million (2021: Rs. 24.42 million). This analysis assumes that all other variables, in particular interest rates, remain constant and the analysis is performed on the same basis as done in prior year.

36.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long term borrowings from banks.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

Fixed rate instruments Financial liabilities
Variable rate instruments Financial liabilities

Carrying amount			
2022	2021		
(Rupees in '000)			
8,843,278	5,996,602		
12,876,772	6,006,488		

a) Cash flow sensitivity analysis for variable rate instruments

The Company holds various variable rate financial instruments amounting to Rs. 12,876.77 million (2021: Rs. 6,006.49 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at June 30, 2022 would have increased / (decreased) profit after tax and equity by Rs. 91.43 million (2021: Rs. 42.65 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

b) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the statement of profit or loss.

36.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2022				
	Short term borrowings	Long term financing	Unappropriated profit	Lease liabilities	Total
			(Rupees in '000)		
Balance as at July 1, 2021	6,835,703	5,232,666	13,317,354	22,663	25,408,386
Changes from financing cash flows					
Repayment of long term loan	-	(1,475,612)	-	-	(1,475,612)
Proceeds from long term loan	-	616,189	-	-	616,189
Lease rentals paid	-	-	-	(22,029)	(22,029)
Addition / re-assessment / termination of leases	-	-	-	61,631	61,631
Dividend paid	-	-	(3,913,497)	-	(3,913,497)
Total changes from financing activities	-	(859,423)	(3,913,497)	39,602	(4,733,318)
Other changes					
Interest expense	893,998	428,586	-	-	1,322,584
Interest paid	(708,072)	(395,997)	-	2,677	(1,101,392)
Deferred government grant recognised	-	(161,762)	-	-	(161,762)
Changes in short term borrowings	10,563,208	-	-	-	10,563,208
Total loan related other changes	10,749,134	(129,173)	-	2,677	10,622,638
Total equity related other changes	-	-	5,431,456	-	5,431,456
Balance as at June 30, 2022	17,584,837	4,244,070	14,835,313	64,942	36,729,162

	2021				
	Short term borrowings	Long term financing	Unappropriated profit	Others / Adjustments	Total
			(Rupees in '000)		
Balance as at July 1, 2020	11,675,965	6,579,655	7,121,607	54,853	25,432,080
Changes from financing cash flows					
Repayment of long term loan	-	(1,512,165)	-	-	(1,512,165)
Proceeds from long term loan	-	187,738	-	-	187,738
Lease rentals paid	-	-	-	(20,326)	(20,326)
Re-assessment / termination of leases	-	-	-	(14,658)	(14,658)
Dividend paid	-	-	(1,304,635)	-	(1,304,635)
Total changes from financing activities	-	(1,324,427)	(1,304,635)	(34,984)	(2,664,046)
Other changes					
Interest expense	370,832	441,099	-	-	811,931
Interest paid	(487,035)	(449,397)	-	2,794	(933,638)
Deferred government grant recognised	-	(14,264)	-	-	(14,264)
Changes in short term borrowings	(4,724,059)	-	-	-	(4,724,059)
Total loan related other changes	(4,840,262)	(22,562)	-	2,794	(4,860,030)
Total equity related other changes	-	-	7,500,382	-	7,500,382
Balance as at June 30, 2021	6,835,703	5,232,666	13,317,354	22,663	25,408,386

Other price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk.

36.5 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

36.6 Financial instruments by categories

	Note	2022	2021
		(Rupees in '000)	
Financial assets			
Held at amortised cost			
- Long term deposit with Central Depository Company of Pakistan Limit	ted	100	100
- Trade debts	9	1,034,132	939,845
- Trade deposits	10	44,194	76,773
- Receivable from K-Electric Limited		32,874	26,920
- Cash and bank balances	13	896,462	292,511
		2,007,762	1,336,149
Financial liabilities			
Held at amortised cost			
- Long term financing	16	4,198,341	5,193,296
- Trade and other payables		3,035,719	3,953,450
- Accrued mark-up		271,013	78,728
- Short term borrowings	22	17,359,553	6,796,345
- Contract liabilities	21	2,290,226	1,277,439
- Unclaimed dividend		10,301	8,798
		27,165,153	17,308,056

37. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

38. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2022, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Company measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 3.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Company's Land and Buildings measured at fair value:

Assets measured at fair value	Date of Valuation	Valuation approach and inputs used	Inter-relationships between significant unobservable inputs and fair value measurement
Revalued property, plant and equipment - Land and Building	June 30, 2022	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from

The fair value of land and buildings is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value is provided below:

Opening net book value
Additions during the year
Depreciation for the year
Disposals during the year (at NBV)
Revaluation during the year
Closing net book value

2022 (Rupees	2021 s in '000)
5,248,331	5,434,720
57,005	18,565
(199,065)	(197,981)
(12,164)	(6,973)
1,489,762	-
6,583,869	5,248,331

Management assessed that the fair values of cash & cash equivalents, other receivable, receivables from K-Electric, trade deposits, trade debts, short term borrowings, trade and other payables, accrued mark-up, contract liabilities and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit and long term financing, management consider that their carrying values approximate fair value owing to credit standing of counterparties and interest payable on borrowings at market rates.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

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

39.1 Transactions with related parties

Note	2022	2021
	(Rupee	s in '000)
Holding Company		
Sales	8,936,182	1,032
Purchases	182,353	7,123
Rent expense	11,788	114,183
Shared resources cost	54,440	56,834
Reimbursement of expenses	8,394	13,169
Sale of fixed asset	2,350	-
Purchase of fixed asset	3,350	-
Corporate, legal, marketing & IT services	12,864	16,184
Dividend paid	2,205,500	735,167
Other related parties		
Sales	2,495,007	1,366,520
Purchases	57,526,000	27,722,541
Dividend paid	355,299	118,433
Rental income 39.4	2,779	2,438
Reimbursement of expenses	750	1,170
Services / Donations	34,323	67,827
Key management personnel		
Remuneration	284,449	228,898
Staff retirement funds Contribution paid	80,479	56,211
Contribution paid	00,479	
Non-executive directors		
Directors' fee	6,800	9,500
Reimbursement of Chairman's expenses	-	3,605

39.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of the Related Party	Relationship and percentage of Shareholding
International Industrial Limited	Holding Company - 56.33% (2021: 56.33%) shareholding
Sumitomo Corporation (incorporated in Japan)	Associated Company - 9.08% (2021: 9.08%) shareholding
Pakistan Cables Limited	Associated Company due to common directorship
German Pakistan Chamber of Commerce and Industry	Associated Entity due to common directorship
Intermark (Private) Limited	Associated Company due to common directorship
Employers' Federation of Pakistan	Associated Company due to common directorship
Amir Sultan Chinoy Foundation	Associated Entity due to common directorship
*Habib University Foundation	Associated Entity due to common directorship
Karwan-e-Hayat	Associated Entity due to common directorship
Landhi Association of Trade & Industry	Associated Entity due to common directorship
Jubilee Life Insurance Company Limited	Associated Company due to common directorship
*Jubilee General Insurance Company Limited	Associated Company due to common directorship
*Beaumont Plaza Owners / Occupants Welfare Association	Associated Entity due to common directorship
IIL Australia PTY Limited (incorporated in Australia)	Associated Company due to common directorship

39.3 Outstanding balances with related parties have been separately disclosed in trade debts, trade and other payables and advances, deposits and prepayments respectively. These are settled in ordinary course of business.

*Habib University Foundation, Jubilee General Insurance Company Limited and Beaumont Plaza Owners were

39.4 Rental income is recognized on straight line basis over the term of the respective lease agreement.

40. ANNUAL PRODUCTION CAPACITY

related parties in the year 2020-21.

The production capacity at the year end was as follows:

Galvanising

Cold rolled steel strip

Colour coated

The actual production for the year was:

Galvanising

Cold rolled steel strip

Colour coated

2022	2021
(Metric	Tonnes)
462,000	462,000
1,000,000	1,000,000
84,000	84,000
213,200	279,678
441,013	498,037
17,037	15,478

40.1 The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix is different. Actual production was as per market demand.

41. OPERATING SEGMENT

- 41.1 These financial statements have been prepared on the basis of a single reportable segment.
- 41.2 Revenue from sales of steel products represents 99.61% (2021: 99.26%) of total revenue whereas remaining represents revenue from sale of surplus electricity to K-Electric Limited (KE). The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its Galvanizing plant and Cold Rolling plant and currently any excess electricity is sold to KE.
- 41.3 All non-current assets of the Company as at June 30, 2022 are located in Pakistan.
- **41.4** 82.23% (2021: 85.31%) of gross sales of steel are domestic sales whereas 17.77% (2021: 14.69%) of sales are export / foreign sales.

41.5 Geographic Information

The Company's net revenue from external customers by geographical location is disclosed in note 24.2.

Domestic sales Exports sales

2022	2021
(Rupees in '000)	
72,771,965	57,943,785
18,651,733	11,852,455
91,423,698	69,796,240

41.6 Management considers that revenue from its ordinary activities are shariah compliant.

42. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

Total employees of the Company at the year end

Average employees of the Company during the year

2022	2021
Number of employees	
705	693
705	686

43. NON-ADJUSTING EVENTS AFTER REPORTING DATE

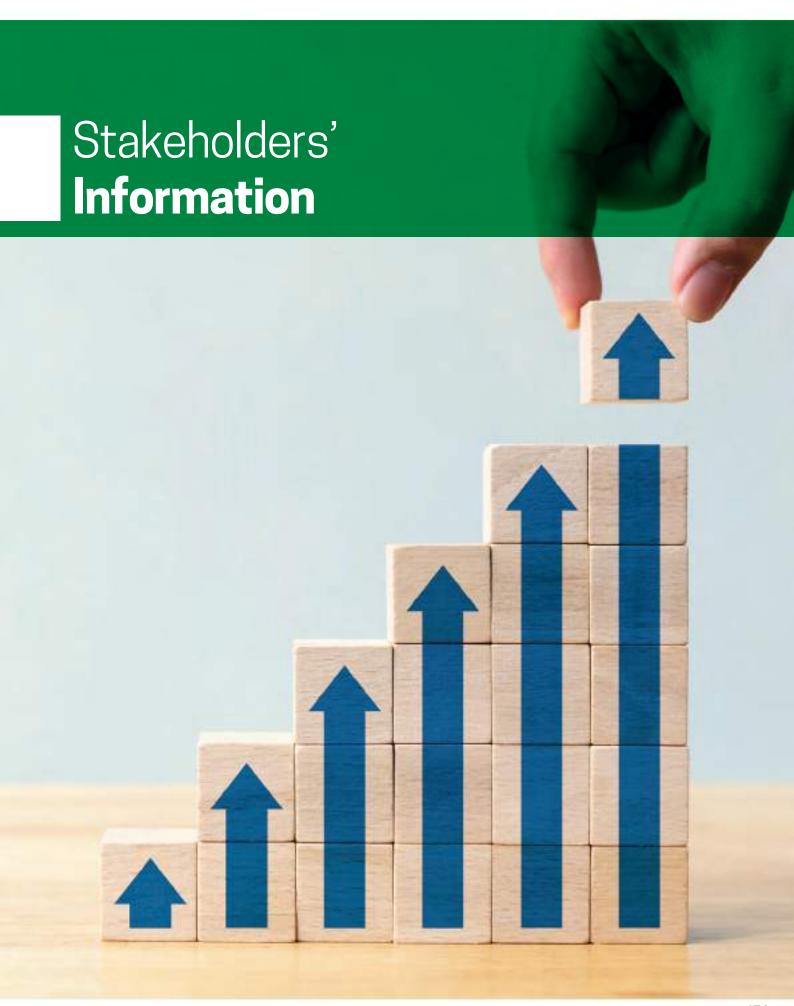
The Board of Directors of the Company in their meeting held on August 18, 2022 has proposed a final cash dividend of Rs. 4.50 per share (2021: Rs. 7.00 per share) amounting to Rs. 1,957.5 million (2021: Rs. 3,045 million) for the year ended June 30, 2022. The approval of the members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on September 29, 2022. The financial statements for the year ended June 30, 2022 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2023.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 18, 2022 by the Board of Directors of the Company.

Nihal Cassim
Director & Chairman
Board Audit Committee

Mujtaba Hussain Chief Financial Officer Yousuf H. Mirza Chief Executive Officer



OWNERSHIP

On June 30, 2022 there were 7,258 members on the record of the Company's ordinary shares.

Dividend Payment

The Board of Directors of the company has recommended 45% final cash dividend in addition to 20% interim making a total of 65% for the year ended June 30, 2022 as per the Profit Appropriation Policy. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on September 29, 2022. The dividend amounts, if approved by the shareholders, shall be directly credited to their designated banks to the shareholders listed in the company's share register at the close of business on September 20, 2022 and shall be subject to the Zakat and Tax deductions as per applicable law.

FINANCIAL CALENDAR

	Approved on	August 18, 2022	
Year ended June 30, 2022	Announced on	August 19, 2022	
	•		
Third quarter ended March 31, 2022	Approved and	April 21, 2022	
Third quarter ended March 51, 2022	announced on	April 21, 2022	
Half year ended December 31, 2021	Approved and	January 31, 2022	
Trail year ended becember 61, 2021	announced on	January 31, 2022	
First quarter ended September 30, 2021	Approved and	October 26, 2021	
1 ii 3t quarter ended deptember 00, 2021	announced on	OCTOBE! 20, 2021	

DIVIDEND

Interim – Cash (2022)	Approved on	January 31, 2022
	Entitlement date	February 15, 2022
	Statutory limit upto which payable	February 28, 2022
	Paid on	February 24, 2022
LATEST ANNUAL REPORT ISSUED ON		September 6, 2022

LATEST ANNUAL REPORT ISSUED ON	September 6, 2022
15TH ANNUAL GENERAL MEETING	September 29, 2022

TENTATIVE DATES OF FINANCIAL RESULTS 2022-23

For the Period	To be Announced on
1st Quarter	24/10/2022
2nd Quarter	27/01/2023
3rd Quarter	19/04/2023
Annual Accounts	21/08/2023

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2022

NO. OF	HAVING S	SHARES	SHARES HELD	PERCENTAGE
SHAREHOLDERS	FROM	TO	SHARES HELD	PERCENTAGE
976	1	100	46,333	0.0107
1668	101	500	644,579	0.1482
1187	501	1,000	1,083,163	0.2490
2001	1,001	5,000	5,520,077	1.2690
538	5,001	10,000	4,266,390	0.9808
194	10.001	15,000	2,535,262	0.5828
132	15,001	20,000	2,428,712	0.5583
75	20,001	25,000	1,776,256	0.4083
64	25,001	30,000	1,840,201	0.4230
50	30,001	40,000	1,840,118	0.4230
84	40,001	50,000	4,004,572	0.9206
32	50.001	60,000	1,785,526	0.4105
49	60,001	80,000	3,460,287	0.7955
41	80,001	100,000	3,830,641	0.8806
15	100,001	120,000	1,642,960	0.3777
18	120.001	140.000	2.347.871	0.5397
16	140,001	160,000	2,376,091	0.5462
6	160,001	180,000	1,008,246	0.2318
19	180,001	200.000	3,704,499	0.8516
22	200,001	300,000	5,652,267	1.2994
14	300,001	400,000	4,852,722	1.1156
13	400,001	500,000	6,178,796	1.4204
4	500,001	600,000	2,109,709	0.4850
5	600,001	700,000	3,344,490	0.7688
4	700,001	800,000	2,997,981	0.6892
3	800,001	900,000	2,570,435	0.5909
4	900,001	1,000,000	3,971,630	0.9130
5	1,000,001	1,200,000	5,349,482	1.2298
2	1,200,001	1,800,000	3,568,211	0.8203
5	1,800,001	2,000,000	9,591,217	2.2049
1	2,000,001	2,800,000	2,690,000	0.6184
2	2,800,001	3,000,000	5,875,600	1.3507
2	3,000,001	3,200,000	6,162,000	1.4166
1	3,200,001	4,000,000	3,982,006	0.9154
1	4,000,001	4,600,000	4,600,000	1.0575
2	4,600,001	6,000,000	10,201,970	2.3453
1	6,000,001	21,000,000	20,626,500	4.7417
1	21,000,001	40,000,000	39,477,657	9.0753
1	40,000,001	250,000,000	245,055,543	56.3346
7258		Company Total	435,000,000	100.0000

CATEGORIES OF SHAREHOLDERS

AS OF JUNE 30, 2022

Particulars	No. of Shareholders	No. of Shares held	Percentage
Sponsor / Holding Company	1	245,055,543	56.335
Directors and Spouses and other Family members	21	15,614,673	3.590
Associated Company	1	39,477,657	9.075
NIT and NBP and Funds	9	7,144,647	1.642
Banks, DFI and NBFI	10	11,270,850	2.591
Insurance Company	7	1,144,111	0.263
Mutual Funds	25	3,580,006	0.823
Public and Other Companies	115	14,964,995	3.440
Retirement Funds and Charitable Trusts	44	3,600,558	0.828
Strategic Investor	1	20,626,500	4.742
Foreign Companies	5	1,043,034	0.240
Modarabas and Others	2	33,500	0.008
General Public / Individuals - Local	6,262	63,706,660	14.645
General Public / Individuals - Foreign	755	7,737,266	1.779
Total	7,258	435,000,000	100.000

KEY SHAREHOLDING

AS OF JUNE 30, 2022

	No. of Shareholders	No. of Shares	Percentage
Sponsor / Holding Company		·	
International Industries Ltd.	1	245,055,543	56.3346
Directors and spouses	12	9,007,000	2.071
Sponsoring Family Members	6	2,457,673	0.5650
Associated Company Sumitomo Corporation	1	39,477,657	9.0753
Government Financial Institutions	:		
NIT and NBP & Funds	1	7,144,647	1.6424
Foreign Corporate Investors			
JFE Steel Corporation	1	20,626,500	4.7417
Others	5	1,043,034	0.2398
		21,669,534	4.9815
Executives	5	57,563	0.0132

MEMBERS HAVING 5% OR MORE OF VOTING RIGHTS

Name of Shareholder	Shares Held	Percentage
INTERNATIONAL INDUSTRIES LIMITED	245,055,543	56.3346
SUMITOMO CORPORATION	39,477,657	9.0753

SHARES TRADING BY DIRECTORS/EXECUTIVES

During FY 2021-22

Following is the summary of shares transactions made by Directors, Executives and their family members or their private owned companies during the financial year July 1, 2021 to June 30, 2022 that were duly disclosed at the Pakistan Stock Exchange Limited:

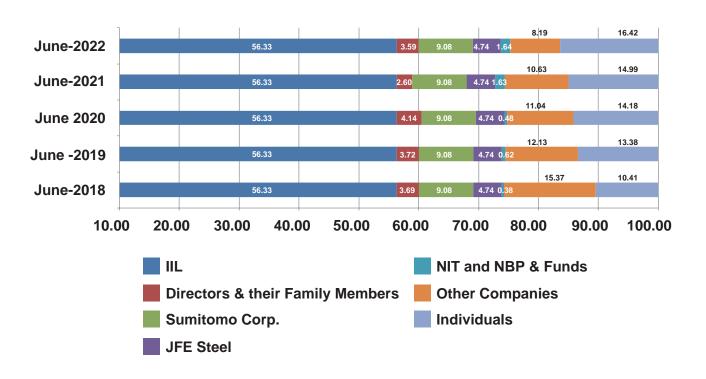
Sold	Purchased
-	216,000

FREE FLOAT OF SHARES

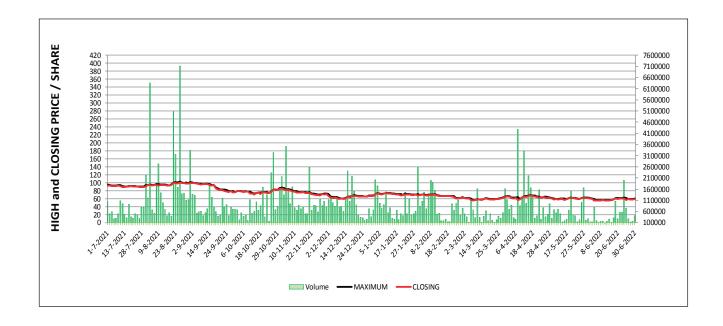
AS OF JUNE 30, 2022

S - No.	Category of Shareholders	Shares Held
	Total Outstanding Shares	435,000,000
1	Government Holding as Promoter	(437,278)
2	Directors / Sponsors/Senior Management Officer	(15,672,236)
3	Physical Shares	(245,263,490)
4	Associated / Group Companies	(39,477,657)
5	Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	
6	Treasury Shares	-
7	Any other category that are barred from selling	-
	Free Float	134,149,339

SHAREHOLDERS COMPOSITION



ISL SHARE PRICES - TREND V/S VOLUME TRADED DURING FY 2021-22



NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED JUNE 30, 2022

Notice is hereby given to the Members that the 15th Annual General Meeting of International Steels Limited will be held on September 29, 2022 at 11:00 a.m. at the Jasmin, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi to transact the following business, however, members are encouraged to attend the meeting through the video conferencing to help in preventing the spread of COVID19.

ORDINARY BUSINESS

Financial Statements

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2022, together with the Reports of the Directors and Auditors thereon.

As required under Section 223 (7) of the Companies Act 2017, the Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded using the following link:

http://www.isl.com.pk/investors/

Dividend

2. To consider and approve the payment of Rs. 4.5 per share (45%) as final cash dividend in addition to 20% interim cash dividend announced and already paid, making a total dividend of Rs. 6.5 per share (65%) for the financial year ended June 30, 2022, as recommended by the Board of Directors.

Auditors

3. To appoint statutory auditors of the Company for the year ending June 30, 2023 and fix their remuneration. The retiring Auditors, M/s A. F. Ferguson and Co., Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out-of-pocket expenses at actuals.

Election of Directors

- 4. To elect eight (8) Directors for a period of three (3) years commencing from September 29, 2022
 - As required U/s 159(1), the Board has fixed the number of Directors to be elected as eight (8). Following are the retiring directors:

1. Dr. Amjad Waheed 3. Mr. Fuad Azim Hashimi 5. Mr. Kamal A. Chinoy 7. Ms. Nausheen Ahmad 9. Mr. Shuji Tsubota

11. Mr. Samir M. Chinoy

Mr. Babar Badat
 Mr. Haroun Rashid

Mr. Mustapha A. Chinoy
 Mr. Nihal Cassim

10. Mr. Yousuf H. Mirza

Any other Business

5. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

The information as required under section 166(3) of the Companies Act, 2017 is being provided along with the Notice of the Annual General Meeting being sent to the Shareholders.

Karachi: September 6, 2022

By Order of the Board International Steels Ltd **M. Irfan Bhatti** Company Secretary & Head of Legal Affairs

Notes:

1. PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for International Steels Limited AGM" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) at investors@isl.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

Registration to attend Annual Gener	al Meeting through Video Conferencing Facility
1. Folio No. / CDC Investors A/c No./ S	Sub-A/c No
2. Name of Shareholder :	
	f the Book Closure to establish the right to attend AGM:

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: investors@isl.com.pk

2. CLOSURE OF SHARE TRANSFER BOOKS

The Register of Members and the Share Transfer Books will be closed from September 21, 2022 to September 29, 2022 (both days inclusive) to establish the right to attend the Annual General Meeting and to receive the dividend declared.

3. ATTENDING AGM AND APPOINTMENT OF PROXY

- A. A Member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.
- B. An instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarized certified copy of the power or authority must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy is enclosed.
- C. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

i) For Attending AGM

- a) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall produce proof of his / her identity by showing their Computerized National Identity Card (CNIC) at the time of attending the meeting.
- b) In case of a corporate entity, a Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

ii) For Appointing Proxy

- a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per CDC regulations shall submit the Proxy Form as per the above requirement.
- b) Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the Proxy Form. The proxy shall produce his original CNIC at the time of the meeting.

4. MANDATORY INFORMATION - (EMAIL, CNIC, IBAN AND ZAKAT DECLARATION)

A. In compliance with Section 119 of the Companies Act, 2017 and Regulation 19 Companies (General Provisions and Forms) Regulations, 2018 members are requested to immediately provide their mandatory information such as CNIC number, updated mailing address, email, contact mobile/telephone number and International Banking Account Number (IBAN) together with a copy of their CNIC to update our records and to avoid any non-compliance of the law. Otherwise, all dividends will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017;

For physical shares to M/s THK Associates (Pvt) Ltd.

• For shares in CDS to CDC Investors A/c Services or respective participant

B. Members are requested to submit a declaration (CZ-50) as per Zakat and Ushr Ordinance 1980 for zakat exemption and advise a change in address if any.

5. UNCLAIMED DIVIDENDS

Shareholders, who for any reason, could not claim their dividend are advised to contact our Shares Registrar M/s THK Associates (Pvt) Ltd. to collect/enquire about their unclaimed dividends, if any.

6. E-DIVIDEND MANDATE

As per Section 242 of the Companies Act, 2017, in the case of a Public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders.

Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, to provide bank account details to our Share Registrar, M/s THK Associates (Pvt) Ltd. Please ensure an early update of your particulars to avoid any inconvenience in future. The e-Dividend mandate form is enclosed.

7. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all such members of International Steels Limited who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System to facilitate the conversion of physical shares into book-entry form.

Members are informed that holding shares in book-entry form has several benefits including but not limited to;

- Secure and convenient custody of shares
- Conveniently tradeable and transferable
- No risk of loss, damage or theft
- No stamp duty on transfer of shares in book-entry form
- Seamless credit of bonus or right shares

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

8. ELECTRONIC VOTING

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018

9. FILER AND NON-FILER STATUS

- i) The Government of Pakistan through the Finance Act, 2022 in Section 150 of the Income Tax Ordinance, 2001 prescribed the following rates for withholding tax against dividend payments by the companies;
 - a) For filers of income tax returns 15%
 - b) For non-filers of income tax returns 30%

Members whose names are not entered into the Active Taxpayers List (ATL) provided on the FBR website, despite the fact that they are filers, are advised to make sure that their names are entered into ATL to avoid higher tax deductions against any future dividends.

ii) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers, or email addresses:

M/s THK Associates (Pvt) Ltd.

32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500

Phone: +9221-111-000-322, +9221-37120628-29

E-mail:sfc@thk.com.pk

iii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e. M/s THK Associates (Pvt) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

Statement under section 166(3) of the Companies Act, 2017 ORDINARY BUSINESS

Agenda Item 4 - Election of Directors

The term of office of the present Directors of the Company will expire on September 29, 2022. In terms of Section 159(1) of the Companies Act, 2017 ("Act"), the directors have fixed the number of elected directors at eight (8) to be elected in the Annual General Meeting for a period of three years.

The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

Any person who seeks to contest election to the office of Director shall, whether he is a retiring director or otherwise, file with the Company at its Registered Office, 101 Beaumont Plaza, 10 Beaumont Road, Karachi-75530, not later than fourteen days before the date of the meeting, the following documents:

- (i) Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 159(3) of the Act, together with the consent to act as a director in Form 28 prescribed under the Companies Act, 2017;
- (ii) A detailed profile along with office address as required under SECP's SRO 634 (I)/2014 dated 10 July 2014;
- (iii) A director must be a member of the Company at the time of filing of his/her consent for contesting the election of directors except a person representing a member, which is not a natural person.
- (iv) A declaration confirming that:
- 1) He/she is aware of his/her duties and powers under the relevant laws, Memorandum and Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange Limited;
- 2) He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and any other applicable law, rules and regulations.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

۸۔ الیکٹرانک ووٹنگ

اراکین کمپینزا یک ۲۰۱۷ نگے سیشن ۱۲۵–۱۲۳۱ اوکیپنز (پوشل بیك)ریگولیشنز (۲۰۱۸ء کی قابل اطلاق شقوں کے تحت رائے شاری کامطالبہ کرنے کا اپناحق استعال کرسکتے ہیں۔

9_ فانكراورنان فانكر كي حيثيت

(i) حکومت پاکستان نے فنانس کیٹ۲۰۲۲ء کے ذریعے انگم ٹیکس آرڈیننس ۲۰۰۱ء کے سیکشن ۱۵ میں اداروں کی طرف سے ڈیویٹی نڈکی ادائیکیوں پرودہولڈنگ ٹیکس کے لیے درج ذیل شرحیں تجویز کی ہیں۔

الف: اَنْمُ لِيكُس كُوشُوار ہے جمع كرانے والوں كے ليے – 18 فيصد

ب: اَنَّمْ ثَيْس گوشواروں جمع نه کرانے والوں کے لیے - ۴۳ فیصد

جن اراکین کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹوئیکس پیئر زلٹ (اےٹی ایل) میں درج نہیں ہیں،اس حقیقت کے باوجود کدوہ فائکر زمیں،ان کومشورہ دیا جاتا ہے کہ وہ اپنے نامول کوائے ٹی ایل میں درج کریں تا کہ مستقبل میں سی بھی منافع کی ادائیگی میں زیادہ ٹیکس کٹو تیوں سے بچاجا سکے۔

(ii) کسی بھی سوال/مسئلہ/معلومات کے لیے، سر مابیکار درج ذیل فون نمبرز، ای میل یایتے کے ذریعے صص رجٹر ارسے رابطہ کرسکتے ہیں:

M/s THK Associates (Pvt)Ltd

C-32، جامی کمرشل اسٹریٹ2، D.H.A. فیز VII ، کرا چی-75500

فون: +9221-111-000-322, +9221-37120628-29

ای میل: sfc@thk.com.pk

(iii) سی ڈی می اکا وَمُٹس رکھنے والے ادارے اپنے متعلقہ شرکاء کے ساتھ اپنائیشنل ٹیکس نمبر (NTN) تجدید کر انا ہوگا، جبکہ کارپوریٹ قصص سرٹیفیکیٹ رکھنے والے اپنے (NTN) سرٹیفکلیٹ کی ایک کا پی قصص رجسٹر اریعنی میسرز ٹی اپنچ کے ایسوی ایٹس (پرائیویٹ) کمیٹٹر کوجیجیں شیئر ہولڈرز نیشنل ٹیکس نمبریا (NTN) سرٹیفکلیٹ جھیجة وقت ادارے کا نام اور اپنے متعلقہ فولیونمبرکا حوالہ دینا ضروریا درکھیں۔

كمپنيزا يكك ٢٠١٧ء كے سيکشن ١٦٧ (٣) كے تحت بيان

عمومي كاروائي:

کاروائی کاجزوم:- انتخاب برائے ڈائر یکٹرز

موجودہ ڈائر کیٹرز کی مدّتِ ملازمت ۲۹ ستبر۲۰۲۲ءکوختم ہوجائے گی کمپینیزا یکٹ ۲۰۱۷ء کے سیکشن ۱۵۹(۱) ("۱ یکٹ") کے مطابق، ڈائر کیٹرز نے تین سال کی مدت کے لیے سالانہ جزل میٹنگ میں منتخب ہونے والے ڈائر کیٹرز کی تعدادآ ٹھ(۸)مقرر کی ہے۔

موجودہ ڈائر یکٹرز ذاتی دلچیسی کے پیشِ نظر دوبارہ ڈائر یکٹرز کے طور پرانتخاب میں دلچیسی رکھتے ہیں۔

کوئی بھی شخص جوڈائر کیٹر کے دفتر کے لیے الیکٹن لڑنا چاہتا ہے، چاہے وہ ریٹائر ہونے والا ڈائر کیٹر ہویا دیگر،ادارے کے رجٹر ڈ آفس،101 بیومونٹ پلازہ،10 بیومونٹ روڈ، کراچی –75530 میں اجلاس کی تاریخ سے چودہ دن پہلے درج ذیل دستاویزات کے ساتھ اندراج کروائے گا:

> الف: کمپنیزا یکٹے ۲۰۱۷ء کے تحت مقرر کردہ فارم ۲۸ میں ڈائر یکٹر کے طور پر کام کرنے کی رضامندی کے ساتھ ،ایکٹ کے سیکشن ۱۵۹ (۳) کے مطابق ڈائر یکٹرز کے انتخاب کے لیے اپنے آپ کوئیش کرنے کے اراد سے کانوٹس؛

> > ب: SRO634(I)/2014 کے SECP مورخه• اجولائی ۱۰۲۴ء کے تحت مطلوبہ وفتری پنے کے ساتھ ایک تفصیلی پروفائل؛

ج: ڈائر کیٹرز کاانتخاب ٹرنے کے لیےاپنی رضامندی داخل کرتے وقت امیدوار کمپنی کارکن ہونا چاہیے۔ بجزاس کے کہوہ کسی ادارے کی نمائند گی کرتا ہو۔

د: ایک حلف نامه جو کهاس بات کی تصدیق کرتا ہو:

ا) وه فردمتعلقة توانين،ميمورندم ايندُ آريُكِلز آف ايسوى ايشن آف دى ممپنى اور پاكتان اسٹاك ايمپيخ لميند كيمتعلقه ضوابط كے تحت اپنے فرائض اوراختيارات ہے واقف ہے۔

۲) وہ فر داھی کمپنیزا یکٹ (کوڈ آف کارپوریٹ گورننس)ر گیلیشنز ۲۰۱۹ء اورکسی دوسرے قابل اطلاق قانون یا قواعد وضوابط کےمطابق کسی لسٹڈ ادارے کاڈائر کیٹر بننے کے لیے نااہل نہیں ہے۔

آزاد ڈائر کیٹرز کاانتخابا یکٹ کے سیشن ۱۵۹ کے مطابق ڈائر کیٹرز کے انتخاب کے مل کے ذریعے کیا جائے گااوروہا بکٹ کی دفعہ ۱۷۱۷ کے تحت طے شدہ معیار پریورااترتے ہوں۔

۳- لازمی معلومات - (ای میل، شاختی کارڈ، IBAN اورز کو ق کااعلان)

الف: کمپینزا یک ۲۰۱۷ء کے سیشن 11 اورریگولیشن ۱۹ کمپینز (جزل پروویژنزایند فارمز)ریگولیشنز ۲۰۱۸ء کے تحت اراکین سے درخواست کی جاتی ہے کہ ہمارے ریکارڈ کی تجدیداورقانون کی عدم تعمیل سے بچنے کے لیے وہ فوری طور پراپنی لازمی معلومات فراہم کریں جیسے کہ CNIC نمبر، تجدید شدہ ڈاک کا پید، ای میل ،موبائل/ٹیلی فون نمبر،انٹرنیشنل بیئکنگ اکا وَنٹ نمبر (IBAN) اور تو می شناختی کارڈ کی ایک کا پید، ایک کا پی ۔بصورت دیگر، تمام منافع کمپینز (ڈسٹری بیوش آف ڈیویڈنڈز)ریگولیشنز ۲۰۱۷ء کے ضابطہ لا کے مطابق روک دیاجائے گا۔

حصص سرٹیٹیکیٹ برائے میسرز ٹی ایج کے ایسوی (پرائیویٹ) کمیٹڈ CDS حصص برائے برائے CDC سرماییکاروں کی C محدمات یا متعلقہ تثریک

ب: اراکین سے درخواست ہے کہ وہ زکو ۃ اورعشر آرڈیننس ۱۹۸۰ء کے مطابق زکو ۃ ہے استثلیٰ کے لیے ایک اعلامیہ (CZ-50) جمع کرائیں اورا گرکوئی ہوتو ہے میں تبدیلی ہے مطلع کریں۔

۵_غیر دعویٰ شده منافع

شیئر ہولڈرز ، جوکس بھی دجہ سے اپنے منافع منقسمہ کا دعویٰ نہیں کر سکے ، انہیں مشورہ دیا جاتا ہے کہ وہ ہمار ہے صص رجٹرار ٹی آئے کے ایسوی (پرائیویٹ) کمیٹٹر سے رابطہ کریں تا کہ وہ اپنے غیر دعوی شدہ منافع کے بارے میں معلومات حاصل کرسکیں ، اگر کوئی ہو۔

۲_ای ڈیوڈ نڈمینڈیٹ

کمپنیزا کیک ۱۰۷ء کے پیشن ۲۳۲ کے مطابق، پبلک کی گھری کے معاطے میں، قابل اوا ٹیگی نقد منافع صرف الیکٹرا تک ذریعے سے حقدار شیئر ہولڈرز کے نامز دکر دہ بینک اکاؤنٹ میں جیجا جائے گا۔ لہذا، اس نوٹس کے ذریعے، تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے بینک اکاؤنٹ نمبر (IBAN) اور تفصیلات کی متعلقہ شرکاء کے ذریعے سنٹرل ڈپازٹری سٹم میں تجدید کریں۔ جھس سرٹیفیکیٹ کی صورت میں ہمارے شیئر رجٹرار، میسرز ٹی ایچ کے ایسوی ایٹس (پرائیویٹ) کمیٹرڈکو بینک اکاؤنٹ کی تفصیلات فراہم کرنے کے لیے اور سنتنبل میں سی بھی قتم کی تکلیف سے بچنے کے لیے براوکرم اپنی تفصیلات کی جلداز جلد تجدید شیخ بنائیں۔ای ڈیویٹرٹ مینڈیٹ فارم نسلک ہے۔

۷۔ سرفیفیکیك كوبك انٹرى فارم میں تبدیل كرنا

کمپنیزا مکٹے ۱۲۰۱ء کے مطابق تمام موجودہ ادارے کمپنیزا مکٹے ۱۲۰۱ء کے آغاز کی تاریخ سے چارسال سے زیادہ کی مدت کے اندرا پنے حصص سڑیفیکیٹ کو بک انٹری فارم میں تبدیل کرنے کی ضرورت ہے۔

پاکستان کے سیکورٹیز اینڈ ایجینچ کمیشن نے اپنے سرکلر #640-639-630 / ED / Misc. / 2016 مورخہ ۲۰ مارچ ۲۰۲۱ء کے ذریعے لیٹڈ اداروں کوعند بید دیا ہے کہ وہ اپنے ایسے اراکین سے رجوع کریں جن کے پاس ابھی تک حقیقی شکل میں حصص کے سڑیٹیکیٹ موجود ہیں تا کہ وہ اپنے حصص کھاتے کے اندراج کی شکل میں تبدیل کراسکیس۔

ہم یہاں انٹرنیشنل اسٹیلز لمیٹڈ کےا بسے تمام اراکین سے درخواست کرتے ہیں جوحقیق شکل میں حصص کے سرٹیفیکیٹ رکھتے ہیں کہ وہ اپنج حصص جلداز جلد کھاتے کے اندراج کی شکل میں تبدیل کروا کیں۔انہیں سینٹرل ڈپازٹری سٹم میں اکا ؤنٹ کھولیں اور حقیقی حصص کھاتے کے اندراج کی شکل میں تبدیل کئے جاسکیں۔ تبدیل کئے جاسکیں۔

ارا کین کو مطلع کیا جاتا ہے کہ کھاتے کے اندراج کی شکل میں قصص رکھنے کے متعدد فوائد ہیں جن میں شامل ہیں:

- خصص کی محفوظ اور آسان تحویل
- با آسانی قابل تجارت اور قابل منتقلی
- خرابی،نقصان یا چوری کا کوئی خطره نہیں
- کھاتے کے اندراج کی شکل میں حصص کی منتقلی پر کوئی سٹیمپ ڈایوٹی نہیں۔
 - بلار کاوٹ بونس ادائیگی پارائٹ شیئر ز

ہم ایک بار پھر کمپنی کے اراکین کو تنبید کرنا جا ہے ہیں کہ وہ اپنے بہترین مفاد میں اپنے حقیقی خصص جلداز جلد کھاتے کے اندراج کی شکل میں تبدیل کرلیں۔

نوکش

ا۔ویڈیوکانفرنسنگ کی سہولت کے ذریعے اجلاس میں شرکت:

ویڈ یوکانفرنسنگ کے ذریعے میٹنگ میں شرکت کرنے میں دلچیپی رکھنے والےشیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کو "انٹرنیشٹل اسٹیلز لمیٹڈ AGM کے لیے رجشریشن " کے عنوان ساتھا ہے تصدیق شدہ کمپیوٹر اکز ڈقومی شناختی کارڈ (CNIC) کے دونوں اطراف کی کا پی کے ساتھ کے ساتھ investors@isl.com.pk پرائٹر ہوئی ہوں۔ تمام مطلوبہ تنصیلات کے ساتھ سالا نہ اجلاسِ عام کے وقت سے کم اذکم ۴۸ گھٹے پہلے موصول ہوئی ہوں۔

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ویڈ بوکا نفرنسنگ کی سہولت کے ذریعے سالا نہا جلاس میں شرکت کے لیےر جسڑیش
ا_فوليونمبر/ CDC سرماميه کار A/c نمبر/ ذیلی A/c نمبر:
 ٢_ شيئر ہولڈر کا نام:
سا_موبائل فون نمبر:
 ۴- ای میل ایڈرلیس:
 ۵۔سالانہ جنرل میٹنگ میں شرکت کاحق محفوظ رکھنے کے لیے بک کلوزر کے پہلے دن خصص کی تعداد:

شیئر ہولڈر AGM کے ایجنڈے کے لیے اپنے تبصرے اور سوالات ای میل ایڈریس پر بھی بھیج سکتے ہیں: investors@isl.com.pk

۲ حصص منتقلی کھا توں کی بندش

ادارے کی شیئرٹرانسفر بک مورخہا ۲۰۴۲ متاب ۲۰۲۲ عتا ۲۰۲۷ متک (بشمول دونوں ایام) بندر ہیں گی تا کہ سالا نہا جلاسِ عام میں شرکت کرنے اور اعلان کر دہ منافع حاصل کرنے کاحق محفوظ کیا جاسکے۔

۳۔اجلاس میں شرکت اور نمائندے کی تقرری

- الف: سالا نہاجلاس عام میں شرکت کرنے ، بولنے اور ووٹ دینے کا حقدار رکن کسی دوسرے رکن کواپنی طرف سے شرکت کرنے ، بولنے اور ووٹ دینے کے لیےاپنانما کدہ مقرر کرنے کا حقدار ہے۔
- ب: نمائندہ اور پاورآف اٹارنی یادیگر اختیار کا تقر رکرنے والا دستاویز جس کے تحت اس پر دستخط کیے گئے ہیں یا پاور یا اختیار کی ایک نوٹری شدہ مصدقہ کا پی میٹنگ کے وقت سے کم از کم ۴۸ گھٹے پہلے کمپنی کے رجٹر ڈ آفس میں جمع کرائی جانی چاہیے۔ نمائندے کا فارم منسلک ہے۔
 - ج: سی ڈی می اکاؤنٹ ہولڈرزکومزید درجہذیل رہنما ضوالط پڑمل کرنا ہوگا ،جیسا کہ ۲۱ جنوری ۲۰۰۰ء کو پاکستان کے سیکو رٹیز اینڈ ایکٹینی کمیشن کے ذریعہ جاری کردہ سرکلر 1 میں بیان کیا گیا ہے۔

(i) سالاندا جلاسِ عام میں شرکت کے لیے

- الف: انفرادی سطح پر،ا کا وَنٹ ہولڈریاذ ملی اکا وَنٹ ہولڈرجن کی سکیورٹیزاوررجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی ٹئی ہیں،اجلاس میں شرکت کے لئے اپنا کمپیوٹرائز ڈقو می شاختی کارڈ (CNIC) دکھا کرائی شناخت کا ثبوت پیش کرے گا۔
 - ب: کارپوریٹ ادار کے صورت میں، میٹنگ کے وقت بورڈ آف ڈائر کیٹرز کی قرار داد/یا ورآ ف اٹارنی، نامز شخص کے دختے کے موخے کے ساتھ پیش کیا جائے گا (اگریبلے سے فراہم نہ کیا گیا ہو)۔

(ii) تقرری رائے نمائندہ

الف: انفرادی سطح پر،اکاؤنٹ ہولڈریاذیلی اکاؤنٹ ہولڈرجن کی رجٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپلوڈ کی گئی ہیں درجہ بالاضرورت کے مطابق نمائندہ فارم جمع کرائیں گے۔ ب: اصل مالکان اورنمائندے کے CNIC کی تصدیق شدہ کا پیاں نمائندہ فارم کے ساتھ پیش کی جائیں گی۔ نامز دنمائندہ میڈنگ کے وقت اپنااصل شاختی کارڈ پیش کرے گا۔

اعلان برائے سالاندا جلاسِ عام

برائے اختتام شدہ سال ۳۰ جون۲۲ ۲۰ء

اس اعلان کے ذریعے اراکین کو مطلع کیا جارہا ہے کہ انٹرنیشنل اسٹیر کمیٹڈ کا پندرھواں سالانہ اجلاس ۲۰۳۹ مبر۲۰۲۲ء کوشح 11:00 بجیسمین ہال، بچ لگژری ہوٹل،عقب ایم ٹی خان روڈ کرا چی میں درج ذیل مقاصد کے لئے منعقد کیا جارہا ہے۔ تاہم،اراکین کووٹی بوکانفرنسنگ کے ذریعے اجلاس میں شرکت کی ترغیب دی جاتی ہے تا کہ کووڈ ۱۹کا پھیلا وَرو کئے میں مدول سکے۔

عمومی کاروائی

ا۔ مالیاتی گوشوارے

یہ اجلاس ۳۰ جون۲۰۲۲ء کوختم ہونے والےسال کے لیے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشوارے اور اِن پرڈائز کیٹرز اور آڈیٹرز کے تجزئے وصول کرنے ،ان پرغور کرنے اور منظور کرنے کے لیے منعقد کیا جارہا ہے۔ کمپنیزا کیٹے ۲۰۱۷ء کے سیشن ۲۲۳ کے) کے تحت کمپنی کے مالیاتی گوشوارے اوارے کی و یب سائٹ پراپلوڈ کیے جاچکے ہیں، جنہیں درج ذیل لنک کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے:

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۲۔ منافع منقسمہ

4.50روپے فی حصص یعنی 45 فیصد کی لطور حتمی نقذ منافع کی ادائیگی پرغور کرنا اورا سے منظور کرنا جو کہ ۲۰ فیصدعبوری نقد منافعہ جو پہلے ہی ادا کیا جا چکا ہے کے علاوہ ہے۔ جس کے تحت مجموعی طور پر ۳۰ جون۲۰۲۲ء کوختم ہونے والے مالی سال کے لیےکل 6.50روپے فی حصص یعنی 65 فیصد کا منافع بنتا ہے، جبیبا کہ بورڈ آف ڈائر کیٹرزنے تبحیز کیا تھا۔

٣_ آۋيير

اس اجلاس میں ۳۰ جون۲۰۲۳ء کوختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز کی تقرری اوران کے معاوضے طے کئے جائیں گے۔سبکدوش ہونے والے آڈیٹرز نے اہل ہونے کی وجہ سے تقرری کے لیے باہمی رضامندی سے طے ہونے والےمشاہرے بمعہ غیرمتوقع اخراجات کے موض خودکو دوبارہ پیش کیا ہے۔

م. انتخاب برائے ڈائر یکٹرز

- ۲۰ تمبر۲۰۲۶ء ہے شروع ہونے والی تین (۳) سال کی مدت کے لیے آٹھ (۸) ڈائر کیٹرز کا انتخاب
- جیسا کہ کیشن ۱۵۹(۱) کے تحت ضرورت ہے، بورڈ نے نتخب ہونے والے ڈائر یکٹرز کی تعداد آٹھ(۸) مقرر کی ہے۔

سكدوش مونے والے ڈائر يكٹرز درج ذيل ہيں:

جناب فوادغظيم بإشمى	٠,٣	<i>جناب بابر بدات</i>	٠,٢	ڈا کٹر امجد وحبیر	. 1
جناب ^{مصطف} یٰ اے چنائے	۲.	جناب کمال اے چنائے	٠.۵	جناب ہارون رشید	٠, ٣
جناب شوجی سو بوتا	.9	جناب نهال قاسم	. ^	محتر مهنوشين احمه	. 4
		جناب میرایم چنائے۔	.11	جناب بوسف التج مرزا	. +1

۵_دیگرکاروائی

سربراه کی اجازت سے کسی دوسرے مسئلے پر اظہار خیال جوسالا نیا جلاس عام میں شامل کیا جاسکے۔

کمپنیزا یکٹ ۲۰۱۷ء کے سیکشن ۱۲۷ (۳) کے تحت مطلوبہ معلومات حصص یافتہ گان کو بھیجے جانے والے سالا ندا جلاسِ عام کے نوٹس کے ساتھ فراہم کی جارہی ہیں۔

حسب الحکم بورڈ بورڈ انٹرمیشنل اسٹیلز لمیٹیڈ ایم عرفان بھٹی سمپنی سیکریٹری وسر براہ قانونی امور

کراچی:۲۰۳۲مبر۲۰۲۲ء



Shaping Tomorrow

E-DIVIDEND MANDATE FORM



To:	Date:
Subject: Bank Account Details For Payment Of Divid	dend Through Electronic Mode
Dear Sir,	
I/We/Messrs., Being a/the shareholder(s) of International Steels Limit directly credit cash dividends declared by it, in my ban	ted [the ‡Company·], hereby, authorize the Company, to k account as detailed below:
(i) Shareholder,,s details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Shareholder,,s Address	
Contact Number (Landline & Cell Nos.)	
Email	
(ii) Shareholder, s Bank account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank,,s Name	
Branch Name & Code No.	
Branch Address	
It is stated that the above particulars given by me are of any changes in the said particulars in future.	correct and I shall keep the Company, informed in case
Yours sincerely	
Signature of Shareholder (Please affix company stamp in case of a corporate er	ntity)

Notes:

- 1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account
- 2. This letter must be sent to shareholder, s participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.



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PROXY FORM



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I / We)					
of						
being	a member o	f INTERNATIONAL STEELS L	IMITED and holder	of		
ordina	ary shares as	s per Share Register Folio No.		and	I / or CDC Partic	ipant I.D.
No			and Sub Account I	No		
hereb	y appoint				of	
		or fa	alling him			
of						
as m	y proxy to vo	te for me and on my behalf a	at the annual genera	al meeting of the	Company to b	e held on
Septe	ember 29, 20	22 and at any adjournment the	ereof.			
Signe	ed this	day of		2022		
WITN	IESS:					
1	Signature _					7
	Name _					
	Address _			Signature	Revenue Stamp	
	CNIC / Pas	sport No.				
					should agree	
2	Signature _			specimen the Comp	signature regist any)	ered with
	Name _					
	Address _					
	CNIC / Pas	sport No.				
Note:		n order to be effective, must b A proxy must a member of the	•	ompany not less	than 48 hours b	efore the

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.



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تشكيلِ نيابت داري

	بحثیت انٹریشنل اسٹیلز لمبیٹر
عامل	عام خصص بمطابق شيئرر جسرٌ دُ فوليونمبر
ی ڈی می کےشرائق آئی ڈی نمبر	اورذ یلی کھا تەنمبر
محرّ مه	ساکن
ت دیگرمحترم امحتر مه	ساكن
اجگه مورخه 29 ستمبر 2022 کومنعقد ما ملتوی ہونے وا	والےسالا نہاجلاسِ عام میں رائے دہندگی کے لئے اپنانمائندہمق
Ł	
) آئی ہی یا پاسپورٹ نمبر	
<u>ل</u>	 دستخط
ہ آئی سی یا یاسپورٹ نمبر ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	

سی ڈی سی شیئر ہولڈرزاوران کے پراکسیز سے گزارش ہے کہ وہ اپنے کمپیوٹرائز ڈقومی شناختی کارڈیا پاسپورٹ کی تصدیق شدہ فوٹو کا پی نمپنی کوپیش

کرنے سے بل اس پراکسی فارم کے ساتھ منسلک کریں۔

GLOSSARY

AGM	Annual General Meeting	IFC	International Finance Corporation
API	American Petroleum Institute	IFRIC	International Financial Reporting
ATIR	Appellate Tribunal Inland Revenue		Interpretation Committee
ATL	Active Tax Payer List	IFRS	International Financial Reporting
BAC	Board Audit Committee		Standards
BCP	Business Continuity Planning	IIL	International Industries Limited
Board/BOD	Board of Directors	IPO	Initial Public Offering
СВА	Collective Bargaining Agreement	ISL	International Steels Limited
CCG	Code of Corporate Governance	ISO	International Standards Organization
CDC	Central Depository Company	IT	Information Technology
CEO	Chief Executive Officer	ITAT	Income Tax Appellate Tribunal
CFO	Chief Financial Officer	ITRA	Income Tax Reference Application
CIR	Commissioner Inland Revenue	JV	Joint Ventures
CIT	Commissioner Income Tax	KE	Karachi Electric
COLA	Cost of Living Allowance	KIBOR	Karachi Interbank Offer Rate
CPEC	China Pakistan Economic Corridor	KPMG	Klynveld Peat Marwick Goerdeler
CRC	Cold Rolled Coil	LIBOR	London Interbank Offered Rate
CSR	Corporate Social Responsibility	LSM	Large Scale Manufacturing
CTAC	Citizens Trust Against Crime	LTC	Lost Time Case
CWIP	Capital Work in Progress	LTIFR	Lost Time Injury Frequency Rate
DBN	Debottlenecking	LTU	Large Taxpayers Unit
EBIT	Earnings before Interest and Taxation	M&A	Memorandum and Articles
EBITDA	Earnings before Interest, Taxation	MAP	Management Association of Pakistan
LBITBA	Depreciation and Amortization	MC	Management Committee
EC	Executive Committee	MFN	Most Favourable Nation
EFP	Employees Federation of Pakistan	MoC	Ministry of Commerce
EPS	Earning Per Share	MT	Metric Ton(s)
ERW	Electric Resistance Weld	NBV	Net Book Value
ETP	Effluent Treatment Plant	NEPRA	National Electric Power Regulatory
EY	Ernst Young	NEELL	Authority
FBR	Federal Board of Revenue	NFEH	National Forum for Environment and Health
FPAP	Fire Protection Association of Pakistan	NOC	No Objection Certificate
FTA	Free-Trade Agreement	NRV	Net Realizable Value
FTO	Federal Tax Ombudsman	NTC	National Tariff Commission
FTR	Final Tax Regime	OHSAS	Occupational Health and Safety
FY	Fiscal Year		Assessment Specification
GDP	Gross Domestic Product	OPEC	Organization of the Petroleum Exporting
GIDC	Gas Infrastructure Development Cess		Countries
GoP	Government of Pakistan	PACRA	Pakistan Credit Rating Agency
HoD	Head of Department	PAT	Profit after tax
HR	Human Resource	PCL	Pakistan Cables Limited
HR&RC	Human Resources & Renumeration Committee	PICG	Pakistan Institute of Corporate Governance
HRC	Hot Rolled Coil	PKR	Pakistan Rupees
HSE	Health, Safety and Environment	PSX	Pakistan Stock Exchange
IAS	International Accounting Standards	Rs.	Pakistani Rupees
IBA	Institute of Business Administration	SECP	Securities and Exchange Commission of
ICAP	Institute of Chartered Accountants of	CLIC	Pakistan
	Pakistan	SHC	Sindh High Court
ICMAP	Institute of Cost and Management Accountants of Pakistan	TCF US\$/USD	The Citizens Foundation United States Dollar
IFAC	International Federation of Accountants		





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