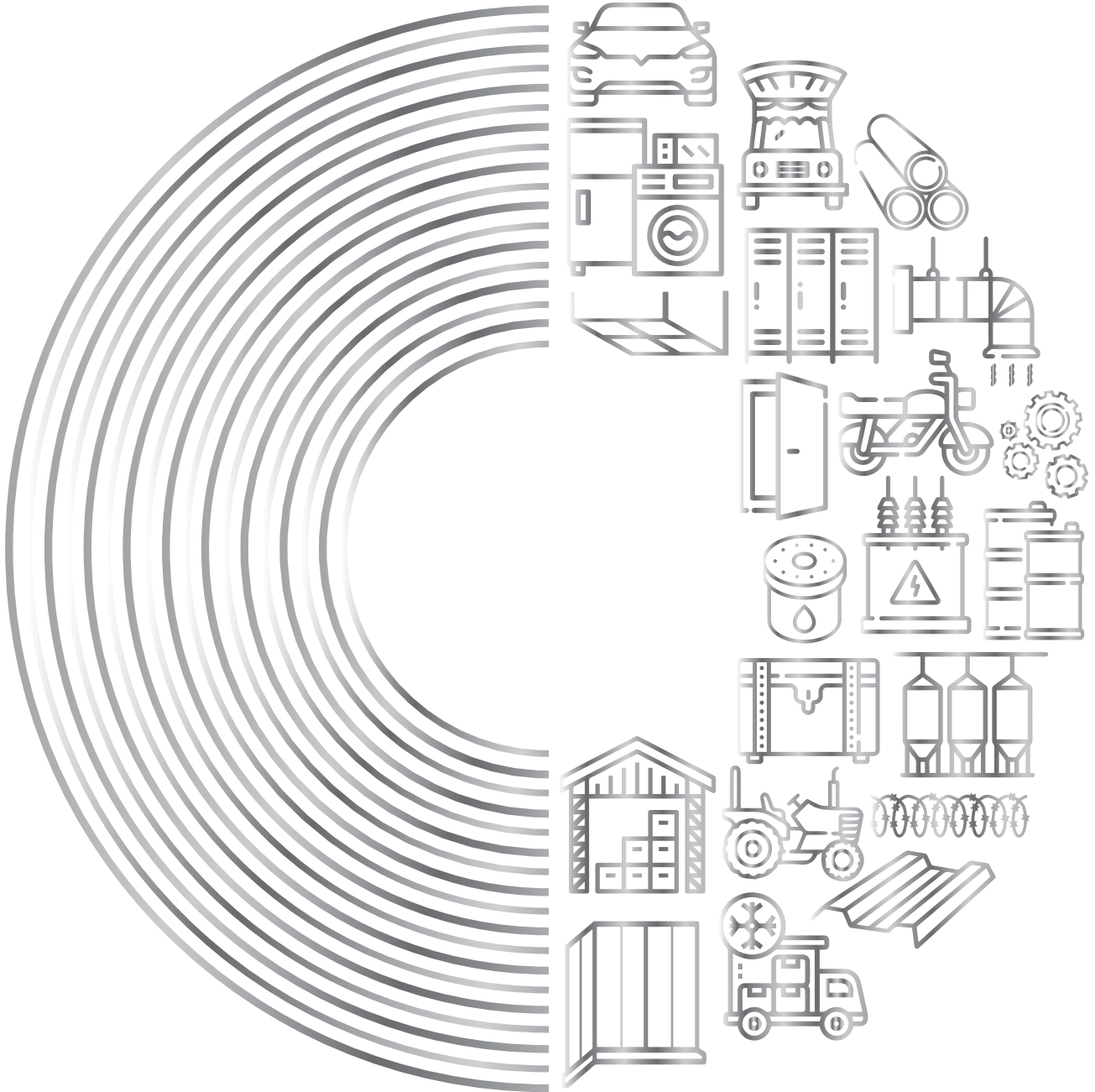




Shaping Tomorrow



Made of Steel

Annual Report 2024



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Corporate Profile

Made of Performance



ISL is the premier manufacturer and exporter of Flat Steels in Pakistan, catering to diverse industrial and commercial applications.

Empowering Industries Enriching Lives



International Steels Limited (ISL) stands as a pioneer in the Flat Steel manufacturing industry in Pakistan. Founded in 2007, the company embarked on its journey of excellence and commenced production in 2010, establishing a state-of-the-art flat steel complex with an impressive investment of approximately US\$ 300 million. Since then, ISL has continuously expanded its manufacturing capacity, and today, it is a leading manufacturer of Cold Rolled Steel, Galvanized Steel, and Color Coated Steel, catering to diverse industrial and commercial applications.

MANUFACTURING EXCELLENCE

ISL's manufacturing facilities sprawl across a 32-acre land in the vibrant Port City of Karachi. Here, cutting-edge technology and sustainable practices blend seamlessly, enabling the production of high-quality flat steel products that comply with global standards. The company's commitment to providing value-added services to its customers led to the establishment of a dedicated 15-acre Service Center, enhancing the convenience of its customers with processed and finished flat steel in readily consumable forms.

Investment
to Date

300
Million Dollars

Production
Capacity

1M
Metric Tons

Production
Facilities on

47
Acres

Exporting
to Over

30
Countries



Driven by a vision to promote Industrial Development in Pakistan

GLOBAL OUTREACH

With unwavering dedication to delivering quality, reliability, and sustainability, ISL has gained prominence not only within Pakistan but across international borders. The company exports its precision-engineered flat steels to more than thirty (30) countries, proudly serving clients on six continents. ISL's contributions to the global steel industry have not only strengthened Pakistan's position but have also resulted in substantial foreign exchange savings for the country, owing to the reduction in flat steel imports.

A DRIVING FORCE FOR INDUSTRIAL GROWTH

ISL has played a pivotal role in fostering the large-scale industrial manufacturing sector of Pakistan. The company's premium flat steel serves as a crucial input for various upstream and downstream industries, driving economic growth and empowering businesses nationwide. Through constant expansion and innovation, ISL has become a beacon of industrial excellence, setting new benchmarks for the steel manufacturing industry in the region.



SUSTAINABILITY AND SOCIAL RESPONSIBILITY

As a responsible corporate citizen, ISL recognizes the importance of sustainable operations and maintaining strong relationships with all stakeholders. Embracing a Clean, Lean, and Green approach, the company strives to minimize its carbon footprint, optimize resource utilization, and promote eco-friendly practices, including recycling and reusing resources. By doing so, ISL takes concrete steps towards preserving the environment for future generations.

Beyond its industrial endeavors, ISL is committed to making a positive impact on society. Through various social initiatives, the company actively promotes the well-being and welfare of communities, especially those facing significant challenges. ISL consistently supports healthcare and educational initiatives throughout the country, making a meaningful difference in the lives of countless individuals.

International Steels Limited (ISL) has emerged as a trailblazer in the Flat Steel manufacturing sector of Pakistan. With a relentless pursuit of excellence, adherence to global standards, and a strong commitment to sustainability and social responsibility, ISL has become a beacon of progress and development. As we look towards the future, ISL remains dedicated to empowering industries, enriching lives, and creating a lasting legacy of growth and prosperity.



Production Capabilities

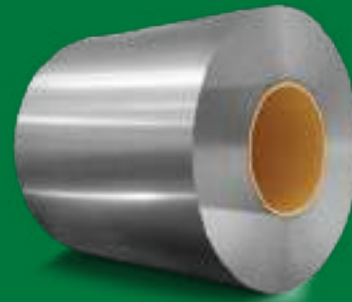
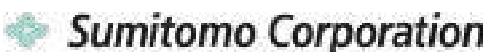
At ISL, sustainable technology and manufacturing best practices are deployed to deliver quality, reliability, and sustenance to thousands of small and large-sized businesses across Pakistan and abroad. ISL holds a strong nationwide supplier network that is served through regional offices in Lahore, Islamabad, and Multan.

To deliver quality, reliability, and sustenance to thousands of small and large-sized businesses across Pakistan and abroad.

With a current production capacity of 1,000,000 Metric Tons, ISL produces flat steels for numerous industrial and commercial applications. These high-precision steels are also exported to more than thirty (30) countries, to serve several quality-seeking clients in six continents.

Envisioned to provide value-added services to the customers, ISL has also established a Service Center in Karachi, for the processing and finishing of flat steel, in the most readily consumable forms.

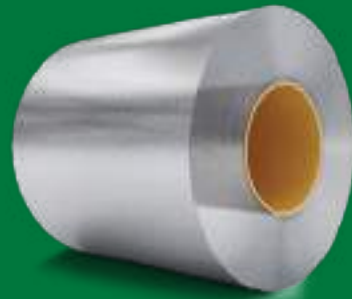
Original Equity Contributors



COLD ROLLED STEEL

1,000,000

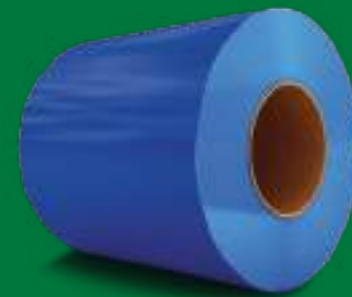
METRIC TONS



HOT DIP GALVANIZED STEEL

462,000

METRIC TONS



COLOR COATED STEEL

84,000

METRIC TONS



Company Information

The background of the page is a high-contrast, artistic photograph of a metal spiral. The spiral is composed of many thin, concentric rings that create a tunnel-like effect as they recede into the distance. The lighting is dramatic, with a bright, circular highlight on the right side of the spiral, creating a strong sense of depth and texture. The overall color palette is monochromatic, ranging from dark greys to bright whites.

Company Information

CHAIRMAN (NON-EXECUTIVE)

Mr. Kamal A. Chinoy

INDEPENDENT DIRECTORS

Dr. Amjad Waheed
Ms. Nausheen Ahmad
Mr. Nihal Cassim

NON-EXECUTIVE DIRECTORS

Mr. Haroun Rashid
Mr. Mustapha A. Chinoy
Mr. Norihiro Mizota

DIRECTOR AND CHIEF OPERATING OFFICER

Mr. Samir M. Chinoy

CHIEF EXECUTIVE OFFICER

Mr. Yousuf H. Mirza

CHIEF FINANCIAL OFFICER

Mr. Mujtaba Hussain

COMPANY SECRETARY & HEAD OF LEGAL AFFAIRS

Mr. Zohaib Raza Merchant

CHIEF INTERNAL AUDITOR

Syed Zaib Zaman Shah

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.
Phone: +92 21-111-000-322, +92 21-37120628-29
Email: sfc@thk.com.pk

REGISTERED OFFICE

101, Beaumont Plaza, 10, Beaumont Road,
Karachi – 75530.
Telephone Numbers : +9221-35680045-54
UAN : +92 21-111-019-019, Fax : 021-35680373
E-mail : investors@isl.com.pk

LAHORE OFFICE

Chinoy House, 6 Bank Square, Lahore - 54000.
Telephone Nos: +92 42-37229752-55,
UAN: +92 42-111-019-019
E-mail: lahore@isl.com.pk

ISLAMABAD OFFICE

Office No.303-A, 3rd Floor, Evacuee Trust Complex,
Sector F-5/1, Agha Khan Road, Islamabad.
Telephone Nos: +92 51-28230412-3

MULTAN OFFICE

Office No. 708-A, "The United Mall", Plot No. 74,
Abdali Road, Multan.
Telephone Nos: +92 61-4570571

FACTORY

399 - 405, Rehri Road, Landhi, Karachi.
Telephone Nos: +92 21-35013104 - 5
Fax : 021-35013108
E-mail: info@isl.com.pk

SERVICE CENTER

Plot# LE-73-79, 102-103, 112-118, 125-129
Survey # Nc.98, Near Arabian Country Club,
National Industrial Park, Bin Qasim, Karachi.
Telephone Nos: +92 21-34724184

WEBSITE

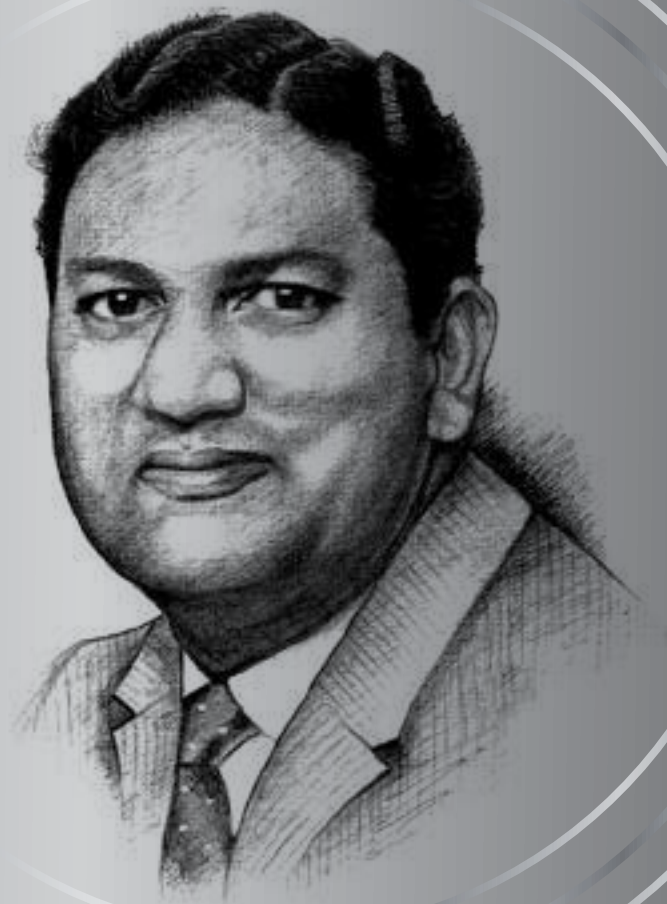
www.isl.com.pk

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan 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 76 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 member companies enjoy a credible export pedigree with combined export revenues of Rs. 23 billion. 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 Americas Inc. which collectively contribute Rs. 4.8 billion in export revenues. In Pakistan, the ASC group has an extensive distribution network through 2,600 outlets in 500 cities and towns across the country. Recently, in 2024 Chinoy Engineering and Construction (Pvt.) Ltd. (CECL), an Associate Company of International Industries Limited, Pakistan Cables Limited and International Steels Limited, was established to explore business opportunities in construction projects and successfully entered into a contract with the Reko Diq Mining Company to design and construct a Permanent Accommodation Camp at Reko Diq Copper Gold Mines, Baluchistan.

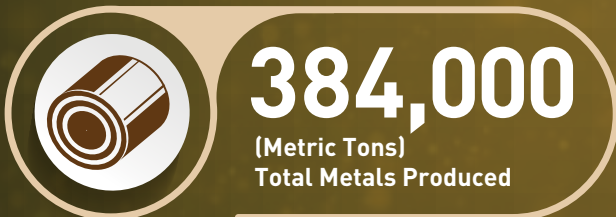
The broad range of products manufactured by the member companies of the group includes:

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	Flat Steel Sheets, Profiles & Purlins

Member companies of the ASC group have attached international equity partners of repute, which have further enriched their technical expertise and best practices. Leading equity partners associated with member companies include:

- British Insulated Callender's Cable (BICC), UK.
- Doogood, Australia.
- General Cables, USA.
- International Finance Corporation (IFC), USA.
- JFE Steel Corporation, Japan.
- MEVA Formwork Systems, Germany.
- Sumitomo Corporation, Japan.

Group Highlights



*As on FY ending 30th June 2024

Highlights of the ASC Group Events



PINKTOBER Marked

Member companies of the ASC group jointly organized a Breast Cancer Awareness event, featuring Dr. Sana Zeeshan from Aga Khan University Hospital's Breast Department and Nausheen Farrukh, a clinical psychologist with 20 years of rich experience in the field. The session helped attendees learn more about the symptoms, prevention and treatment of the disease.



1st Amir S. Chinoy Women's Tape ball Cricket Tournament 2023

Proud teams of Tectonic Titans (IIL), Electric Eagles (PCL), Steel Strikers (ISL) showcased the spirit of inclusivity and women's empowerment on the field at the 1st Amir S. Chinoy Women's Tape ball Cricket Tournament 2023 held in Karachi.

ISL lifted the trophy of the 1st Amir S. Chinoy Women's Tape ball Cricket Tournament 2023.



10th Amir S. Chinoy Memorial Tape ball Tournament 2023

Reliving the spirit of passion, the 10th Amir S. Chinoy Memorial Tape-ball Tournament was organized in Karachi. ISL lifted the trophy for the 10th Amir S. Chinoy Memorial Tape-ball Tournament 2023. IIL Tigers and PCL Shaheens emerged as runners-up.



International Women's Day Celebration

International Women's Day festivities were organized by the ASC group in Karachi, aimed to #InspireInclusion. The event featured sessions on "The Empowered Her" by Saya Health's Natasha Khan, a Martial Arts demonstration by Madiha Habib and "Her Health Check" by Sobana Baree from SIB. The activities concluded with shield distribution and a lively session at Jumbo Jump for all female staff of member companies.



Super Challengers' Premier League Edition 14

The ASC group Cricket Team won the runner-up trophy in the thrilling Super Challengers' Premier League (Edition 14) Grand Final held in Karachi.



Engineering and Healthcare Show 2023, Lahore

The ASC group jointly exhibited at TDAP's 3rd Engineering and Healthcare held in Lahore. All three group member companies showcased their product range and interacted with visitors during the three days exhibition.



ASC Group sponsored the Access. Ability. Careers Fair

The ASC group supported ConnectHear as Bronze Sponsors at the Access. Ability. Careers Fair, championing diversity and equal opportunities for all. ASC group stall attracted over 300 enthusiastic individuals, united in shaping a more inclusive tomorrow.



ASC Group sponsored the 38th MAP Corporate Excellence Awards 2023

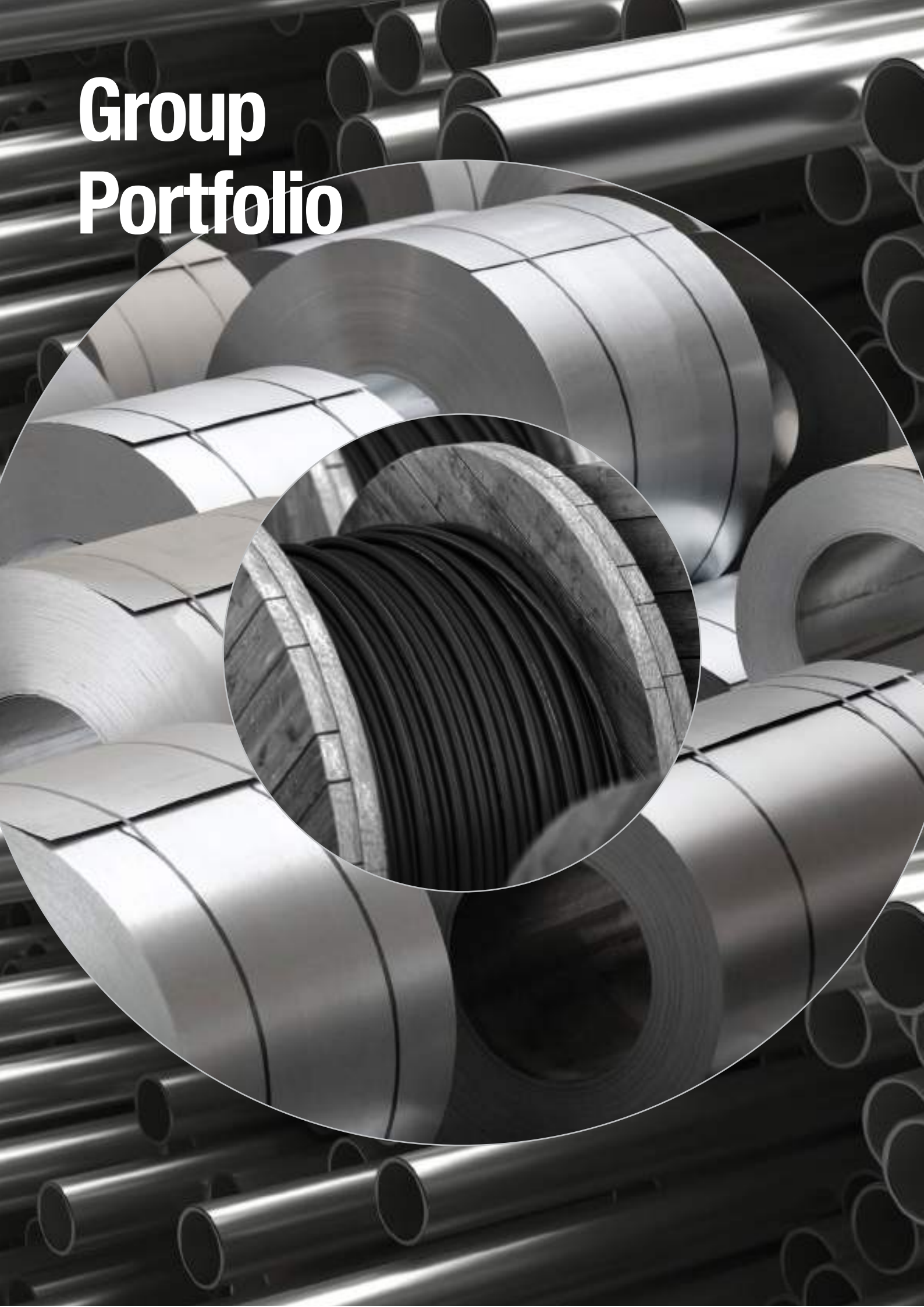
The ASC group jointly sponsored the 38th MAP Corporate Excellence Awards held in Karachi.

Member companies of the ASC group were awarded and recognized at the 38th Corporate Excellence Awards 2023 organized by the Management Association of Pakistan (MAP).

ISL and PCL won the excellence awards in the Engineering Goods category and Cable and Electrical Goods category, respectively; while IIL received Certificate of Excellence under the Engineering Goods category.



Group Portfolio





<p>Incorporated in 1948 Listed on PSX since 1984 Credit Rating AA/A-1</p>	<p>Incorporated in 2007 Listed on PSX since 2011 Credit Rating A+ /A-1</p>	<p>Incorporated in 1953 Listed on PSX since 1955 Credit Rating A/A-1</p>	<p>Incorporated in April 2024</p>
<p>PRODUCTS</p>	<p>PRODUCTS</p>	<p>PRODUCTS</p>	<p>SERVICES</p>
<p>Steel Tubes and Pipes Polymer Pipes and Fittings Stainless Steel Tubes Scaffolding & Formwork Solutions</p>	<p>Cold Rolled Steel Hot Dip Galvanized Steel Color Coated Steel</p>	<p>Wires, Cables & Copper Rod Aluminium Profiles PVC Compound Conductors & Wiring Accessories</p>	<p>Contracting Services in The Construction and Engineering Industry</p>
<p>2024 TURNOVER 29 BILLION</p> 	<p>2024 TURNOVER 69 BILLION</p> 	<p>2024 TURNOVER 26 BILLION</p> 	

124 BILLION
GROUP TURNOVER

Journey and Milestones



Journey & Milestones

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-II 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.
- 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 receives the 43rd FPCCI Best Export Performance Award 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, and Recycling.
- ISL secures 2nd position in the Asian Management Games 2021.
- ISL received 44th FPCCI Best Export Performance Award 2019-20.

2022

- Electrolytic Cleaning Line is commissioned at ISL. This new addition improves 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 attracts and targets architects, builders and contractors, from all over Pakistan.
- ISL secures 3rd position in the Asian Management Games 2022.
- ISL was listed in Traded Development Authority of Pakistan (TDAP) Top 50 exporters, second year in a row
- ISL won Pakistan Stock Exchange (PSX) "Pakistan's Top 25 Companies Award"
- ISL received "Export Performance Award" for the FY 2020-21, at FPCCI's 45th Export Awards, at Aiwan-e-Sadar, Islamabad
- In October, ISL won the "Corporate Excellence Award" in the "Engineering Category" for the fourth year in a row, in the 37th year of the Corporate Excellence Awards organized by the Management Association of Pakistan (MAP)
- ISL won 1st position in the Medium National Category at the "9th Employer of the Year Awards" for the year 2021

2023

- ISL announced a 6.4 MW solar power project at its Karachi factory, aiming to cut carbon emissions and energy costs by PKR 1 billion, with completion expected in 2024.
- In July 2023, ISL received the FPCCI 46th Best Export Performance Award for FY 2021-22.
- Also in July 2023, ISL was honored with the KCCI Best Export Performance Award for FY 2019-20 and FY 2020-21.
- In September 2023, ISL clinched 1st Prize in the Engineering, Automobile Manufacturing & Spare Parts/Components Sector at the 17th EFP Best Practices Award Ceremony for OSHE 2022.
- ISL rolled out the ISL Customer Portal to ISL Dealers and select industrial customers from Q2 FY24. The portal was created to offer customers



a convenient digital sales experience by streamlining business processes and providing real-time access to order and transaction information.

- In October 2023, ISL won its fifth consecutive award at the 38th Corporate Excellence Awards (CEA) hosted by MAP, recognizing exceptional performance and management best practices.
- ISL was integrated in the internet banking system of 2 leading banks of Pakistan.
- In November 2023, ISL celebrated reaching “3 Million Metric Tons,” achieved through collaboration with JFE and Sumitomo Corporation.
- In December 2023, ISL won the 11th FPCCI Achievement Award for 2022.
- ISL won three CSR awards at the NFEH’s 15th CSR Summit – 2023, in the categories of Community Development and Services, Education and Scholarship, and Rehabilitation, for the third consecutive year.



Highlights

2023-2024

Q1 July to September

- In July 2023, ISL received the FPCCI 46th Best Export Performance Award for FY 2021-22, recognizing the company's consistent success in exports.
- Additionally, ISL was awarded the KCCI Best Export Performance Award for two consecutive fiscal years, FY 2019-20 and FY 2020-21.
- ISL participated in the SMU Steel Summit 2023, recognized as America's premier steel conference, held from August 21 to 23, 2023.
- In September 2023, ISL won 1st Prize in the Engineering, Automobile Manufacturing & Spare Parts/Components Sector at the prestigious EFP 17th Occupational Safety, Health, and Environment Awards.
- ISL was integrated in the internet banking system of 2 leading banks of Pakistan.

Q2 October to December

- In October 2023, ISL won the 38th Corporate Excellence Award for the fifth consecutive time, hosted by the Management Association of Pakistan (MAP). The awards recognize organizations in Pakistan for exceptional performance and management practices.
- ISL participated in the Pakistan Auto Show 2023 from October 27-28 at the Karachi Expo Centre. This premier event showcased the potential of the automotive industry and emphasized advancements in engineering technology.
- Under the banner of ASC Group, International Steels Limited, commemorated Breast Cancer Awareness Day 2023. The event aimed to raise awareness about the need for more research, celebrate the survivors, honor the fighters, and advocate for a stronger, healthier future.
- In October 2023, International Steels Limited (ISL) celebrated a significant milestone of achieving 3 million metric tons, in collaboration with JFE Steel Corporation and Sumitomo Corporation from Japan. This milestone highlights the strong partnership and joint efforts among these companies in enhancing production and achieving new heights in the steel industry.
- ISL exhibited at The Big 5 Global, held from December 4-7 at the Dubai World Trade Centre, UAE. As the largest and most influential event for the construction industry in the Middle East, The Big 5 Global featured over 2,200 exhibitors from more than 150 countries.
- In December, ISL organized cycling events in Karachi and Lahore. These activities were part of ISL's efforts to promote a healthier lifestyle and encourage outdoor physical activities among its employees.
- In December, the first ASC Women's Cricket Tournament 2023 was held among the teams of ASC group companies. ISL's women's team emerged victorious, bringing the trophy home.
- In December, ISL won the prestigious 11th FPCCI Achievement Award for the year 2022. This award, presented at a ceremony held on December 23, 2023, in Islamabad, recognized the company's outstanding contributions to promoting Pakistan's trade and industry.
- ISL rolled out the ISL Customer Portal to ISL Dealers and select industrial customers from Q2 FY24. The portal was created to offer customers a convenient digital sales experience by streamlining business processes and providing real-time access to order and transaction information.

Highlights

2023-2024 (Cont.)

Q3 January to March

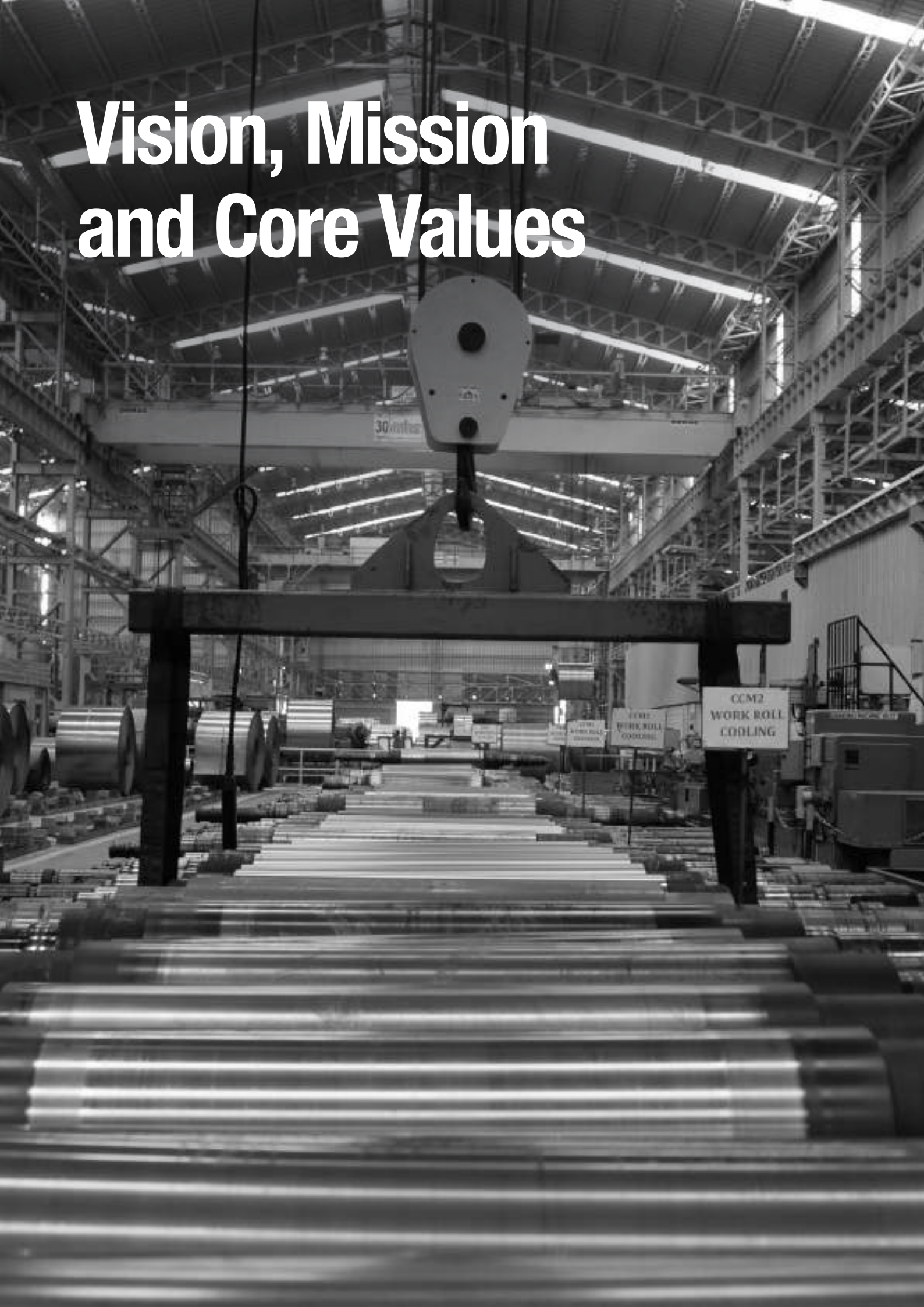
- ASC Group Companies - ISL, IIL & PCL participated in the 3rd Engineering and Healthcare Show 2024 organized by TDAP. The event took place in Lahore on January 18 2024. More than 180 leading manufacturers of Engineering and Healthcare sectors exhibited their products. More than 500 foreign delegates from 50+ countries visited the exhibition.
- In February, ISL participated in The Big 5 Construct Saudi, the largest construction event in Saudi Arabia.
- On International Women’s Day, March 8th, 2024, ASC Group hosted a remarkable event, to celebrate the contributions of women from across our companies.
- ISL jointly sponsored an architectural documentary of Architect Syed Akeel Bilgrami with other ASC Group companies. He is a distinguished figure in the world of architecture. He co-founded the Indus Valley School of Art & Architecture (IVS) in Karachi, Pakistan, where he significantly contributed to nurturing creative talent and architectural excellence.
- ISL received three CSR awards during the NFEH’s 16th CSR Summit & Awards 2024, in March, 2024. For the fourth consecutive year, the Company was honored in the categories of Community Development and Services, Education and Scholarship, and Public Health & Safety Program.

Q4 April to June

- Partnering with ConnectHear, ISL sponsored the Access.Ability Career Fair at the Institute of Business Administration on May 8, 2024, alongside IIL and Pakistan Cables. This sponsorship underscores our commitment to diversity, equity, and inclusion, as we strive to create an accessible workplace where everyone can thrive.
- In May, ISL participated in the Pakistan HVACR Expo in Lahore, a premier event showcasing the latest innovations and trends in heating, ventilation, air conditioning, and refrigeration.
- ISL hosted a “Finance for Non-Finance” workshop on June 12-13, 2024, designed to equip non-finance professionals with essential financial knowledge. The workshop focused on understanding financial ratios, profit and loss accounts, and the impact of business activities on financial outcomes, emphasizing the finance function’s importance in performance management and profitability.
- ISL received the “Diamond Recognition Award” at the 10th Employer of the Year Awards. This honor reflects our commitment to a positive, inclusive, and supportive work environment, highlighted by our comprehensive employee benefits, health and wellness initiatives, and dedication to continuous learning and diversity. This award marks a significant milestone for ISL, underscoring our focus on fostering a vibrant organizational culture.
- In Q4, a leading bank completed the setup of virtual accounts and configured integration for automatic receipt creation. The virtual account product complements our existing payment channels, enhancing convenience and efficiency for our valued customers.



Vision, Mission and Core Values



Vision

To be the premium manufacturer of flat steel products in Pakistan.

Mission

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.



Core Values

We share a 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.



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.



Diversity

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



Responsibility

We consider quality of life, health, safety, wellbeing, social uplift and environment as integral parts of our corporate culture and responsibility.



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.

Strategic Objectives



Strategic Objectives

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

CREATING SHARED VALUE

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.

INVESTING IN HUMAN CAPITAL

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.

INVESTING IN TECHNOLOGY

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.

REDUCING WASTE

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

ENSURING SUSTAINABILITY

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.

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

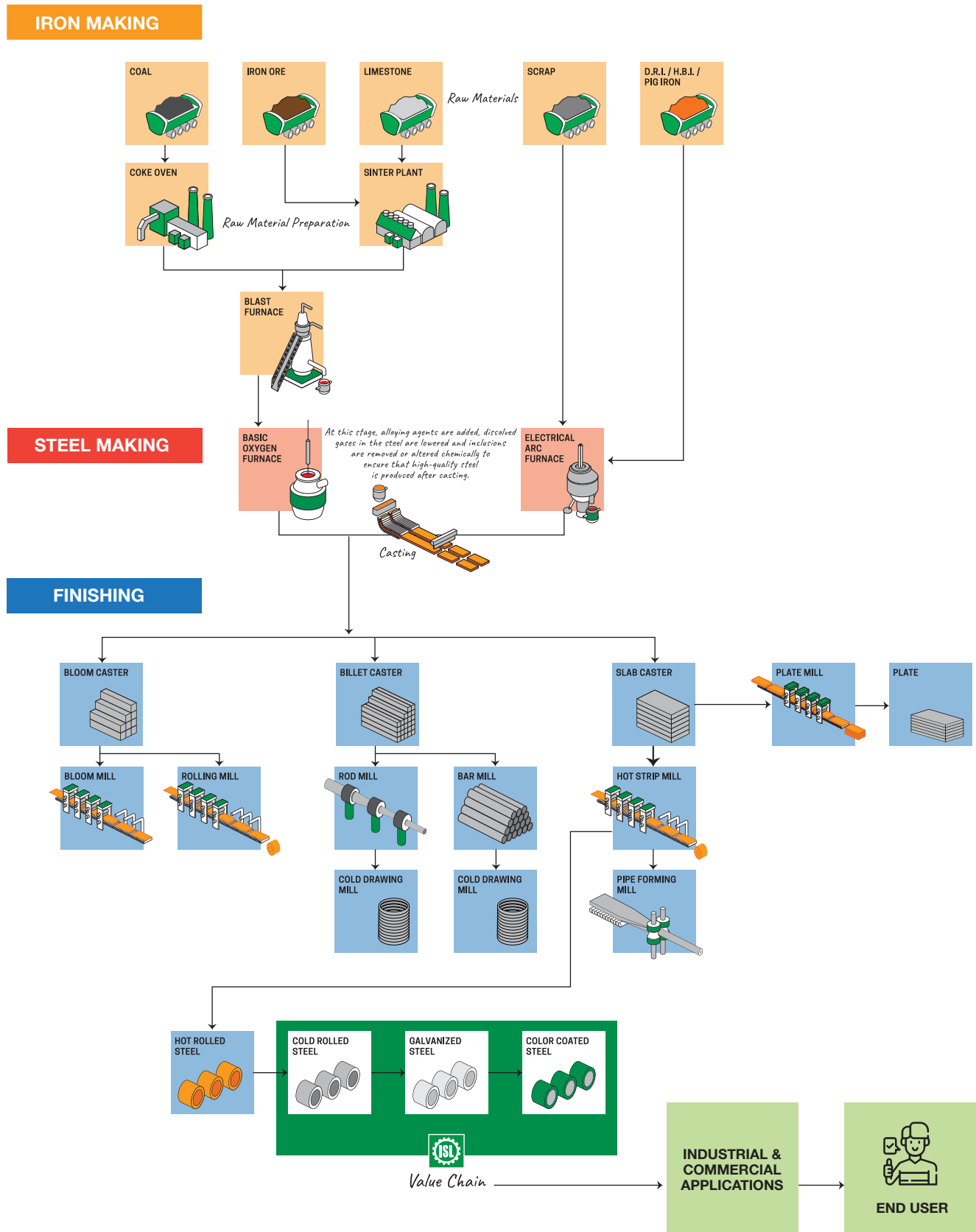


Steel Value Chain



Steel Value Chain

The Steel Pathway



Products and Services



Products & Services

Fully compliant with the international standards of steelmaking, ISL's Cold Rolled, Hot Dip Galvanized and Color Coated Steels are manufactured on state-of-the-art world-renowned equipment, and are available in full width, slitted and cut-to-length forms as per customer requirements.

COLD ROLLED STEEL

Manufactured as per the ASTM A1008, JIS G3141 and equivalent standards

ISL's CRC is offered in a range of product specifications, ranging from drawable, deep drawable, to commercial grades, and surface finishes from bright to dull, to meet commercial or industrial needs of customers. 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.

Properties

- Annealed, skin passed
- Oiled / unoiled
- Bright or dull finish
- Tension levelled

Thickness Tolerance

1/2 of ASTM A568 and
1/2 of JIS G3141

Applications

Automotive components, tubes and sections, domestic appliances, electrical goods, oil filters, hardware, packaging drums, furniture and fixtures, gates, etc.



HOT DIP GALVANIZED STEEL

Manufactured as per the ASTM A653, JIS G3302 and equivalent standards

Galvanization is the process of applying a protective zinc coating to steel to prevent rust and corrosion. ISL's Hot Dipped Galvanized Steel is produced on a state-of-the-art, fully automated galvanizing complex. Our manufacturing facility, a dynamic production team, and adherence to strict quality control measures, paired with the best available raw materials and processes, are applied under controlled conditions to produce premium quality zinc-coated steel.

Properties

- Regular / suppressed spangle
- Chromated and dried
- Skin passed / Non skin passed

Thickness Tolerance

1/2 of ASTM A924 and
1/2 of JIS G3302

Applications

HVACR and ducting, industrial and agricultural warehouses and sheds, domestic appliances, silos, door frames, roofing sheets, trunks and storage boxes, cable trays, razor wire, etc.



COLOR COATED STEEL

Manufactured as per the ASTM A653, JIS G3302 and equivalent standards

With a coating capability of 84,000 MT, ISL's Color Coating Line allows us to produce high-quality color coated sheets on various substrates like Cold Rolled, Galvanized, Galvalume, Aluminium, and Stainless-Steel sheets, in a broad range of colors. ISL's high manufacturing standards ensure uniform coating with excellent durability and stain resistance. Color Coated Steel is light weight, possesses good anti-corrosion properties, and can be directly processed and utilized in several indoor and outdoor applications. Polyester (PE) and Polyvinylidene Difluoride (PVDF) paint mediums are used to coat galvanized and other substrates.

Properties

- Heat cured on GI substrate
- Single / double side painted
- Finish coat (Polyester / PVDF)

Thickness Tolerance

1/2 of ASTM A924 and
1/2 of JIS G3312

Applications

Temperature-controlled vehicles, industrial and agricultural warehouses, sheds (roofing and cladding), appliances, furniture and fixtures, false ceilings, trunks, storage boxes, etc.



ISL Service Center

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 exceptionally durable structures, to custom-cut sheets and slitted coils that serve as ready-to-use input for various purposes.

SLITTING

Thickness Range
0.0059 in / 0.15 mm - 0.098 in / 2.50 mm

Width Range
0.98 in / 25 mm - 49.21 in / 1,250 mm

Width Tolerance
+/- 0.004 in / +/- 0.1 mm

Coil ID
20 in / 508 mm



CUT-TO-LENGTH

Thickness Range
0.0059 in / 0.15 mm - 0.098 in / 2.50 mm

Width Range
15.74 in / 400 mm - 49.21 in / 1,250 mm

Length of Sheet
15.74 in / 400 mm - 157.48 in / 4,000 mm

Length Tolerance
+ 0.118 in / + 3 mm



C CHANNELS FOR LGSS* WALL PARTITIONS

Input Material Hot Dip Galvanized Steel	Zinc Coating 11 - 38.5 microns
Thickness Range 0.75 - 1.15 mm	Web (W) Size 89 mm
Grades Commercial Quality Structural Steel	Flange (F) Size 39 mm Lip (L) Size 10 mm


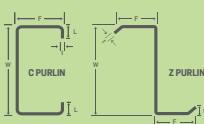


*Light Gauge Steel Structures






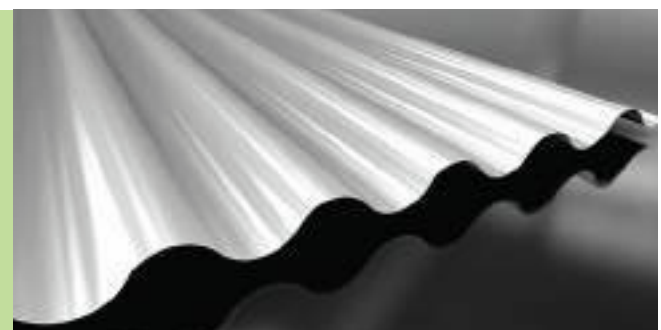
C AND Z PURLINS

Input Material Hot Rolled Steel, Cold Rolled Steel, Hot Dip Galvanized Steel	Zinc Coating 11 - 38.5 microns
Thickness Range 1.20 - 3.00 mm	Web (W) Size 150 - 450 mm
Grades Commercial Quality Structural Steel	Flange (F) Size 40 - 100 mm Lip (L) Size 12 - 30 mm


PROFILING

Sinusoidal 0.0118 in / 0.30 mm 0.0236 in / 0.60 mm	
Clip Lock 0.0157 in / 0.40 mm 0.0236 in / 0.60 mm	
Screw Down 0.0118 in / 0.30 mm 0.0275 in / 0.70 mm	



Our flat steel products are easy, fast to erect, sturdy and lightweight. They are manufactured to suit almost any floor plan or construction style. Consistent quality and precision provide customers with assurance of strong, versatile, functional, and attractive designs that are engineered for life.



Regional Network

ISLAMABAD
Regional Office

LAHORE
Regional Office

MULTAN
Regional Office

KARACHI
Head Office, Factory
and Service Center



Comprising
500
Cities & Towns
in Pakistan

Geographical Presence



Exporting
to more than

30

countries in

06

continents



Health and Safety Statistics



1.23 M Safe Man Hours



1,915 HSE Training Hours



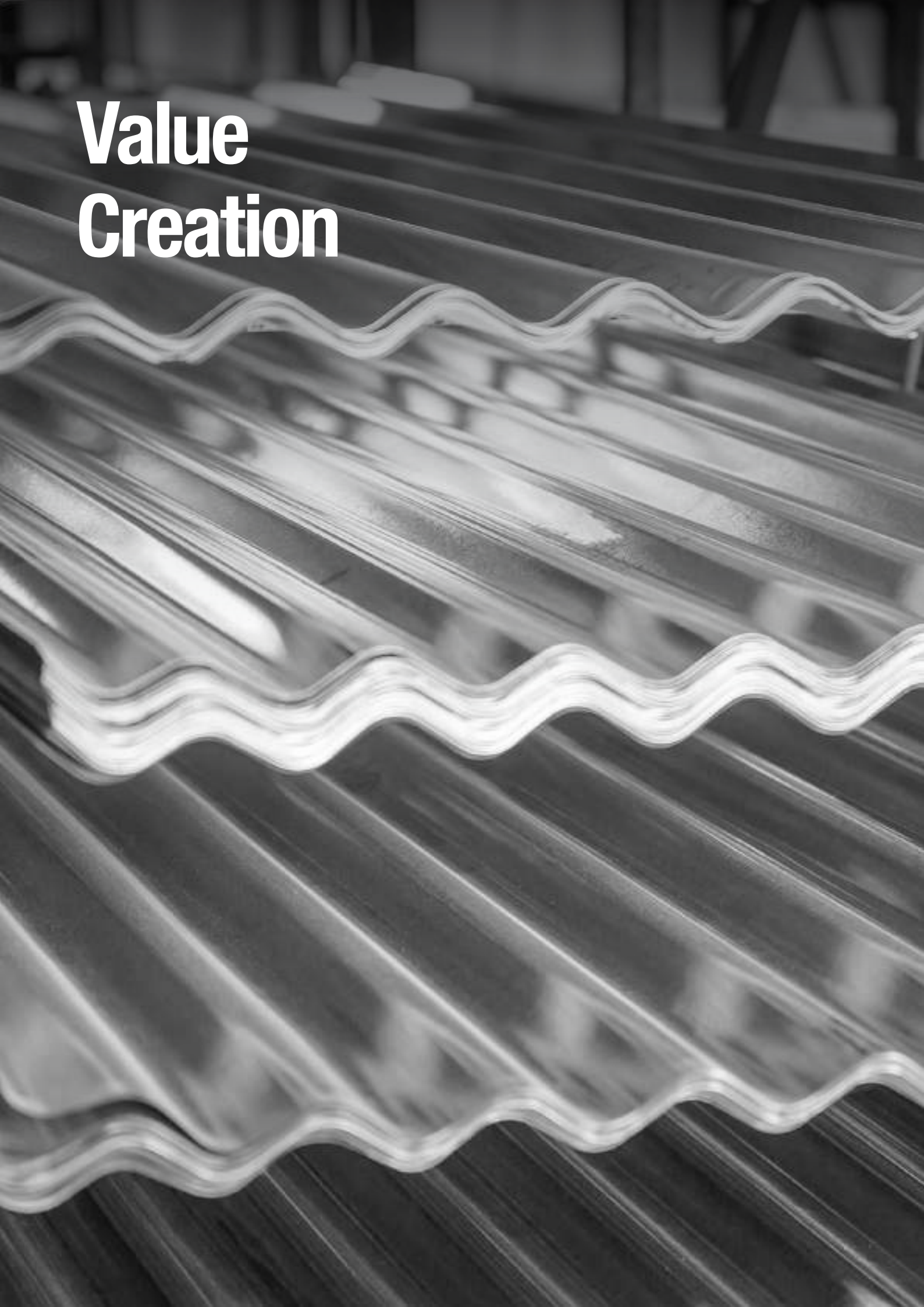
01 Lost Time Injury (LTI)



0.56 Total Recordable Incident Rate (TRIR)



Value Creation



Value Creation 2011-2024

CONTRIBUTION TO GOVT.

Over

PKR 126 Billion

Contributed to the national exchequer



SUBSTITUTING IMPORTS

Saving

\$409 Million

Worth of foreign exchange outflow through localization



EXPORT VALUE

Earned

\$555 Million

Worth of foreign exchange by exporting flat steel



GLOBAL FOOTPRINT

Exporting to over

30 Countries

Worldwide, supplying cold rolled and coated steels



LEADING EXPORTER

Listed among

Top Exporters

by FPCCI & TDAP



SKILL DEVELOPMENT

Imparted

42,022 Man Hrs.

To train and develop human resources at ISL Factory and offices



CSR CONTRIBUTION

Allocating

1.5% Profit

(After Tax) Annually for social and community uplift



RECOGNITION OF EXCEPTIONAL PERFORMANCE

Five time winner

Corporate Excellence Award

In the Engineering Category at CEA, hosted by MAP



EMPLOYER OF CHOICE

Diamond Recognition Award

10th Employer of the Year Awards by Employers Federation of Pakistan



RECOGNITION IN CSR CONTRIBUTION

Four consecutive years of winning

3 CSR Awards

At NFEH's Annual Corporate Social Responsibility Summit



CREDIT RATING

Maintaining

A+/A-1 Rating

By VIS Credit Rating Company Limited



ENVIRONMENTAL RESPONSIBILITY

Practicing

Clean, Lean and Green

Manufacturing approach and sustainable practices



Code of Conduct



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:

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 contribute 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 entity, 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. The Company, as a responsible corporate entity, shall play its part in the betterment of society in health and education sectors as a part of our Corporate Social Responsibility.
- VIII. The Board of Directors and the Employees shall not indulge in insider trading and unfair market practices.

CONFLICTS 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. Conflicts of interest shall be avoided and promptly disclosed where they exist, and guidance should be sought from supervisors.

ACCOUNTING RECORDS, CONTROLS & 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.

ENVIRONMENT, SOCIAL & GOVERNANCE

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

- III. The Company promotes environmental, social and governance (ESG) compliances including but not limited to health and safety aspects in its business strategies.

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.

ANTI-BRIBERY - ANTI-MONEY LAUNDERING

- I. Employees shall not engage in any kind of bribery, extortion and all other forms of corruption. In case an employee is offered or receives any gift, payments or favors or something of value from suppliers or any business associates, which he/she believes may be questionable under this Code, he/she should disclose the matter to the relevant person of the Company.
- II. Employees are strictly prohibited from participating in money laundering, financing of terrorism, or engaging in transactions with individuals or entities involved in such activities.

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. Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.
- IV. 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.
- V. Employees must ensure no instances of personal deliveries using the Company's resources, tax number and/or business name.

HARASSMENT-FREE WORKPLACE

- I. The Company is committed to providing and maintaining a work environment free from harassment of any kind, whether physical, verbal, psychological or otherwise. Employees are encouraged to report any incidents of harassment promptly to the relevant person of the Company.
- II. The Company will take immediate and appropriate action to investigate and address any reported incidents of harassment.

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. Employees agree that all right, title and interest in and to all work product resulting during the

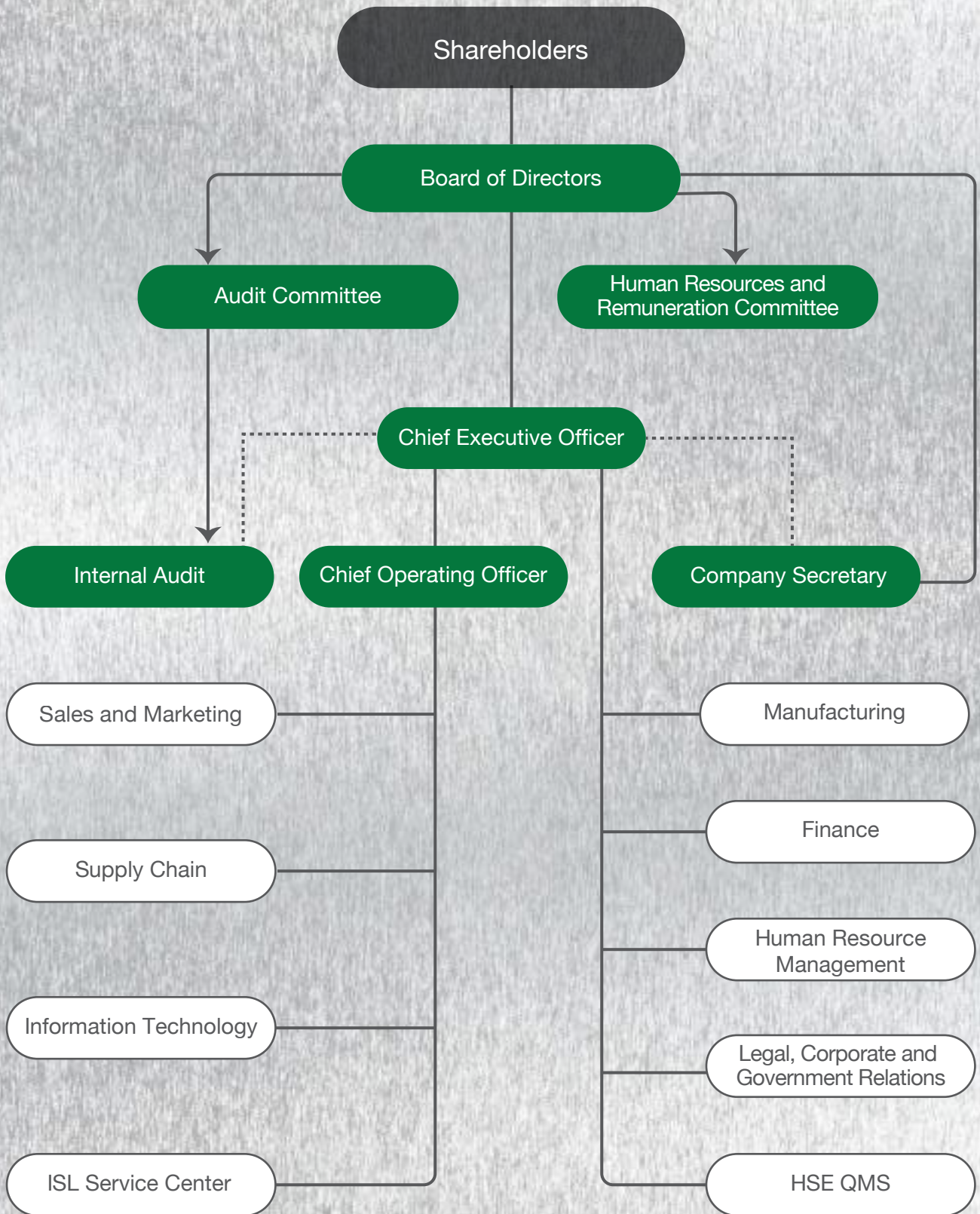
course of their employment with the Company, whether created, generated or produced by the Employees or others or under the supervision of Employees, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, 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 the Employees 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.

- V. Employee 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 the Employees any compensation whatsoever, and the Employees shall not use the same for any purpose other than for the benefit of the Company nor will the Employees pass it on to any other person or institution other than to those approved by the Board and the Employees will not take the same with them when the Employees cease to be an employee of the Company for any reason whatsoever (and shall return such work product to the Company).

- VI. Employee 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 the Employees shall assist the Company in obtaining, securing, enforcing and retaining the abovementioned intellectual property rights as is needed by the Company.



Organizational Chart



Mechanism for Providing Information

FORMAL REPORTING LINE

The current organizational structure of the Company consists of various departments/divisions, each of which is led by a divisional/department head.

EMPLOYEES

Employees are encouraged to express their views and suggestions through open channels of communication. 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 for process/policy improvement, can freely raise grievances and concerns about matters 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.

Townhall meetings are conducted regularly during which the CEO shares information about the Company's results, plans and strategic directions with employees. Employees are encouraged and accorded an opportunity to actively participate, share their ideas and suggestions.

The Company also has a Whistleblowing Policy in place which provides an additional avenue to employees to report any corrupt or unethical behavior.

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 conducts awareness sessions and 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 on a quarterly basis for approval. These transactions are also fully disclosed in the annual financial statements of the Company.



Chairman's Review

Made of Reliability



As Pakistan's premier manufacturer and exporter of flat steel, we set high benchmarks for operational excellence, value generation, and ethical practices.

Chairman's Review

I am pleased to present the review for the year ended 30 June 2024 highlighting the 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 2023-2024 was another successful year for the Company in terms of financial performance in times of number of challenges emanating from economic and business front mainly slow-down in economic activity resulting in lower domestic demand, significant increase in the gas tariff resulting in higher utilities cost, volatility in global steel prices impacting export sales and misuse of sales tax exemption given to erstwhile FATA / PATA regions. The sales tax exemption has been further extended to June 30, 2025, via Finance Act 2024 to the detriment of the domestic manufacturing industry. The resilience and growth shown by your company in overcoming these challenges shows the strength of this Company. The Board is aware of the challenges ahead and its belief in Pakistan remains unshakeable as we focus our efforts on sustainable growth in an industry which is one of the prime indicators of economic progress.

During the year, the Board approved an investment of Rs 1 billion to install 6.4 MW solar power plant at its factory. The work on the installation is in progress and is expected to be completed by the end of 2024 calendar year. The installation of solar power reinforces the company's commitment towards green energy and to reduce its carbon footprint. Besides, it will also help the Company to reduce its continuously increasing utilities cost.

In line with the Company's vision and mission the focus of the Company's management will remain on delivery of quality products, sound business plans, improved profitability and growth for the overall success of the Company. As a leading steel manufacturer of the country, we continually look to innovate value-added steel solutions. The Company believes that a strong demand exists for its products in the export markets and is committed to increasing its share in the global steel market. The Company increased its exports sales in 2023-24 by 34% to Rs. 16.7 billion despite global supply chain disruptions and sea freight challenges and is making its contribution to

increase the country's export and reducing trade deficit.

The resilience and growth shown by your Company is based on 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 to guide the Company in all its strategic affairs. The Board also played a key role in monitoring management performance and focus on major risk areas. The Board was fully involved in the strategic planning process and enhancing the vision of the Company. The Board has been diligent and has contributed effectively in guiding management in all its strategic affairs. The Board continues to provide governance and oversight in relation to the Company's initiatives on environmental, social and governance matters.

The Board recognizes that well defined corporate governance processes is vital in enhancing corporate accountability and transparency and is committed to ensure high standards of corporate governance to preserve and maintain stakeholder value. All Directors including Independent Directors fully participated and contributed to 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 ensuring that our management team continues to take decisions that will create value for you in the short, medium and long term.

During the year, Mr. Shuji Tsubota resigned from the Board and the Board appointed Mr. Norihiro Mizota to fill the casual vacancy within the statutory time limits. The Board appreciates the contribution of the outgoing Director and welcomes the new Director and looks forward to

his valuable contribution towards your Company.

Apart from the Board Audit Committee (BAC) / Board Human Resource Committee (HRRC) meetings every quarter, the Board met six (6) times during the year. The Board normally meets once every quarter to consider and approve financial and operating results and other meetings to consider and approve the budget for the following year and one meeting to review the potential investment opportunity in an associated company along with other group companies.

The Company has an independent Internal Audit department and 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 discussed and followed up for continuous improvement.

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

The Company's business is built on ethics, hard work, and concern for others. Our group firmly believes that contribution to our community has, and always will be, a matrix of our success. We remain dedicated to our core values and strive to maintain long-term relationships with all stakeholders. With an experienced Board of Directors and committed Management Team, we remain equipped to meet the continuing challenges.

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.

We continue to pray to Allah for the continued success of your Company and look forward towards the next year with greater confidence in meeting the challenges ahead.



Mr. Kamal A. Chinoy

August 20, 2024

Karachi



کمپنی کا کاروبار اخلاقیات، محنت اور دوسروں کی خیر خواہی پر مبنی ہے۔ ہمارا گروپ پختہ یقین رکھتا ہے کہ ہماری کمیونٹی میں شراکت ہماری کامیابی کا ایک سانچہ ہے اور یہ ہمیشہ رہے گی۔ ہم اپنی بنیادی اقدار کے لئے وقف رہتے ہیں اور تمام ذی نفع افراد کے ساتھ طویل مدتی تعلقات برقرار رکھنے کی کوشش کرتے ہیں۔ تجربہ کار بورڈ آف ڈائریکٹرز اور پرعزم انتظامیہ کی ٹیم کے ساتھ ہم جاری چیلنجز سے نبرد آزما ہونے کے لئے لیس رہتے ہیں۔

بورڈ کی جانب سے، میں کمپنی کی کامیابی میں اپنے تمام ملازمین کی شراکت کو تسلیم کرنا چاہتا ہوں۔ میں اپنے سینئر ہولڈرز، صارفین، فراہم کنندگان، بینکرز، کاروباری شراکت داروں اور دیگر ذی نفع افراد کا، ان کے اعتماد اور ہماری حمایت کے لئے شکریہ ادا کرنا چاہتا ہوں۔

ہم آپ کی کمپنی کی مسلسل کامیابی کے لئے اللہ تعالیٰ سے دعا گو ہیں اور آنے والے سال کے چیلنجز سے نمٹنے کے لئے زیادہ اعتماد کے ساتھ پیش بینی کر رہے ہیں۔



جناب کمال اے چنائے

20 اگست 2024

کراچی۔

سال کے دوران جناب شوچی تسو یوتا نے بورڈ سے استعفیٰ دے دیا اور بورڈ نے جناب نور بہر و میز ونا کو قانون کی مقررہ حد تک غیر رسمی اسامی کو پُر کرنے کے لئے مقرر کیا۔ بورڈ سبکدوش ہونے والے ڈائریکٹر کی خدمات کو سراہتا ہے اور نئے ڈائریکٹر کا خیر مقدم کرتا ہے، اور آپ کی کمپنی کے لئے ان کی قیمتی خدمات کا منتظر ہے۔

بورڈ آڈٹ کمیٹی (بی اے سی) اور بورڈ ہیومن ریسورس کمیٹی (ایچ آر آر سی) کے ہر سہ ماہی اجلاس کے علاوہ، بورڈ نے سال کے دوران چھ (6) مرتبہ ملاقات کی۔ بورڈ عام طور پر ہر سہ ماہی میں ایک مرتبہ مالی اور کارکردگی کے نتائج پر غور کرنے اور منظور کرنے کے لئے ملاقات کرتا ہے اور اگلے سال کے لئے بجٹ پر غور کرنے اور اسے منظور کرنے کے لئے دیگر اجلاس کرتا ہے، اور ایک اجلاس ایسوسی ایٹڈ کمپنی اور دیگر گروپ کمپنیوں کے ساتھ ممکنہ سرمایہ کاری کے مواقع کا جائزہ لینے کے لئے کرتا ہے۔

کمپنی کے پاس ایک خود مختار انٹرنل آڈٹ ڈپارٹمنٹ ہے اور یہ رسک پر مبنی آڈٹ طریقہ کار پر عمل کرتا ہے۔ انٹرنل آڈٹ رپورٹس سہ ماہی بنیادوں پر بورڈ آڈٹ کمیٹی کو پیش کی جاتی ہیں اور خامیوں پر تبادلہ خیال کیا جاتا ہے اور مسلسل بہتری کے لئے ان کی تفتیش کی جاتی ہے۔

کمپنی اپنے ملازمین کے لئے محفوظ، صحت مند اور آرام دہ ماحول فراہم کر کے کام کرنے کے حالات کو مزید بہتر بنانے کے لئے مسلسل خاطر خواہ وسائل کی سرمایہ کاری کر رہی ہے۔

چیئر مین کا جائزہ

پُر عزم ہے۔ عالمی رسد کے سلسلے میں خلل اور سمندری مال برداری کے چیلنجز کے باوجود کمپنی نے 2023-24 میں اپنی برآمدی فروخت میں 34 فیصد اضافہ کر کے اسے 16.7 ارب روپے تک پہنچا دیا اور کمپنی ملک کی برآمدات میں اضافے اور تجارتی خسارے کو کم کرنے میں اپنا حصہ ڈال رہی ہے۔

آپ کی کمپنی نے جو چلک اور ترقی ظاہر کی ہے وہ اس کی بنیادی طاقتوں، اس کی وقف شدہ افرادی قوت کے معیار، پیداواری نظام اور موثر سلسلہ رسد کے انتظام (سپلائی چین مینجمنٹ) پر مبنی ہے۔ مجھے یقین ہے کہ کمپنی مستقبل کے چیلنجز اور اہداف کو پورا کرنے میں کامیاب رہے گی۔

بورڈ نے اپنی ذمہ داریاں اور فرائض محنت سے انجام دیئے ہیں اور کمپنی کی حکمت عملی کے ضمن میں تمام امور میں راہنمائی کرنے میں مؤثر طور پر حصہ ڈالا ہے۔ بورڈ نے انتظامیہ کی کارکردگی کی نگرانی اور انتہائی پرخطر شعبوں پر توجہ مرکوز رکھنے میں بھی کلیدی کردار ادا کیا ہے۔ بورڈ حکمت عملی کی منصوبہ بندی کے طریقہ کار اور کمپنی کے نظریئے کو وسعت دینے میں مکمل طور پر شامل تھا۔ بورڈ ہمیشہ سرگرم عمل رہا ہے اور انتظامیہ کے تمام حکمت عملی کے امور میں راہنمائی کرنے میں اس نے مؤثر کردار ادا کیا ہے۔ ماحولیاتی، معاشرتی اور نظم و ضبط کے معاملات سے متعلق کمپنی کے اقدامات کے ضمن میں بورڈ نظم و ضبط اور گہداری فراہم کرتا رہتا ہے۔

بورڈ تسلیم کرتا ہے کہ کارپوریٹ حساب اور شفافیت کو یقینی بنانے کے لئے صحیح طور پر متعین کردہ کارپوریٹ گورننس کے طریقہ کار اہم ہیں اور ذی نفع کی قدر کو محفوظ اور برقرار رکھنے کے لئے اعلیٰ معیار کی کارپوریٹ گورننس کو یقینی بنانے کے لئے پُر عزم ہے۔ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلے کرنے کے عمل میں مکمل طور پر حصہ لیا اور تعاون کیا۔

آپ کی کمپنی کے چیئر مین کی حیثیت سے میں بورڈ کی قیادت کرنے، آزاد ماحول اور تعمیری مباحثہ کی ثقافت کو فروغ دینے کا ذمہ دار ہوں گا جس میں تمام آرا سنی جائیں گی اور اس بات کو یقینی بنائیں گے کہ بورڈ اعلیٰ انتظامیہ کے ہر عہدے دار کی بات سنے۔ میں اس بات کو یقینی بنانے کے لئے پُر عزم رہوں گا کہ آپ کی کمپنی تمام متعلقہ دستور اور ضوابط کی تعمیل کرے اور اس بات کو یقینی بنائے کہ ہماری انتظامیہ کی ٹیم ایسے فیصلے کرتی رہے جو آپ کے لئے قابل، درمیانی اور طویل مدت میں اہمیت کے حامل ہوں۔

مجھے خوشی ہے کہ میں 30 جون 2024 کو اختتام پذیر ہونے والے سال کا جائزہ پیش کر رہا ہوں۔ اس تجزیے کا مقصد کمپنی کی کارکردگی کو نمایاں کرنا اور بورڈ آف ڈائریکٹرز کی جانب سے انتظامی عملے کو دی گئی راہنمائی کی وضاحت کرنا ہے جس کا مقصد تمام اسٹیک ہولڈرز کا منافع ہے۔

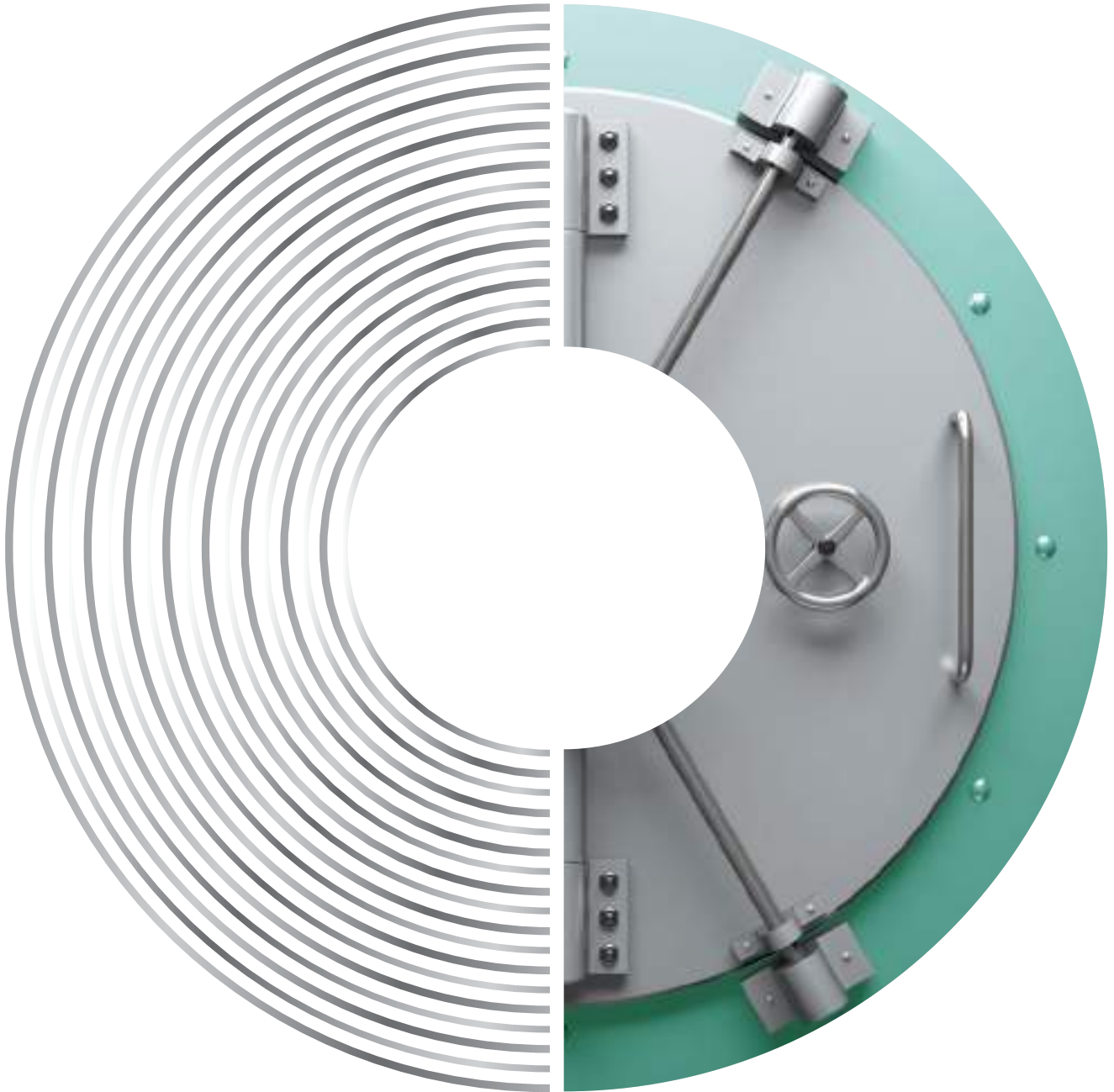
سال 2023-2024 کمپنی کے لئے مالی کارکردگی کے لحاظ سے ایک اور کامیاب ترین سال تھا، باوجود اس کے کہ اقتصادی اور کاروباری محاذ پر متعدد چیلنجز درپیش تھے، جن میں اقتصادی اور کاروباری سرگرمیوں میں سست روی کی وجہ سے اندرون ملک طلب میں کمی، گیس کے نرخوں میں نمایاں اضافہ، جس کے نتیجے میں یوٹیلیٹیز کی لاگت میں اضافہ، عالمی اسٹیل کی قیمتوں میں اتار چڑھاؤ، جس کے نتیجے میں برآمدی فروخت متاثر ہوئی اور فانا/پانا کوڈی گئی سٹریٹجی کی رعایت کا غلط استعمال جس کو فنانس ایکٹ 2024 کے ذریعے مزید 30 جون 2025 تک توسیع دے دی گئی ہے جو ملکی پیداواری صنعت کے لئے نقصان کا باعث ہے۔ آپ کی کمپنی نے جس طرح ان چیلنجز پر قابو پانے میں خود کو ناقابلِ تسخیر ثابت کیا وہ آپ کی کمپنی کی طاقت کو ظاہر کرتا ہے۔ بورڈ متوقع چیلنجز سے آشنا ہے اور یقین رکھتا ہے کہ پاکستان مستحکم رہے گا کیونکہ ہماری توجہ صنعت کی دیرپا ترقی پر مرکوز ہے جو کہ اقتصادی ترقی کو ظاہر کرتی ہے۔

رواں سال کے دوران بورڈ نے اپنی فیکٹری میں 6.4 میگا واٹ شمسی توانائی پلانٹ نصب کرنے کے لئے 1 بلین کی خطیر رقم مختص کرنے کی منظوری دی۔ شمسی توانائی پلانٹ کی تنصیب زیر عمل ہے اور سال 2024 کے اختتام تک مکمل ہونے کی توقع ہے۔ اس پلانٹ کی تنصیب کمپنی کے گرین انرجی کے عزم کی ضامن ہے اور اس کے کاربن فوٹ پرنٹ کے ساتھ منسلک ہونے کی نفی کرتی ہے۔ اس کے علاوہ یہ کمپنی کی مسلسل بڑھتی ہوئی یوٹیلیٹیز کی لاگت کو کم کرنے میں معاون ثابت ہوگی۔

کمپنی کے نظریئے اور مقصد کے مطابق، کمپنی کی انتظامیہ کی توجہ معیاری مصنوعات کی فراہمی، مضبوط کاروباری منصوبے، بہتر منافع اور کمپنی کی مجموعی کامیابی کے لئے ترقی پر گامزن رہے گی۔ ملک کے ایک ممتاز اسٹیل مینوفیکچر کے طور پر ہم مسلسل ویلیو ایڈڈ اسٹیل کے حل میں جدت لانے کی کوشش کرتے ہیں۔ کمپنی کا ماننا ہے کہ اس کی مصنوعات کے لئے برآمدی منڈیوں میں مضبوط طلب موجود ہے اور وہ عالمی اسٹیل منڈی میں اپنا حصہ بڑھانے کے لئے

Directors' Report

Made of Distinction



As Pakistan's largest flat-rolled steel manufacturer, ISL's continuous diligence drives operational growth.

Directors' Report

The Directors of International Steels Limited are pleased to present the 17th Annual Report accompanied by the audited financial statements for the year ended June 30, 2024.

GLOBAL STEEL SCENARIO

The global steel industry experienced a tumultuous year, characterized by price volatility, supply chain disruptions, and weakening demand in key markets. The average price of the hot rolled coil (HRC) declined by 9% compared to the previous year, while iron ore and coking coal prices experienced fluctuations of 25% and 35%, respectively. Multiple interconnected factors converged to shape the sector's trajectory. Steel prices fluctuated significantly, influenced by a combination of supply chain disruptions and inflationary pressures that tempered optimism. Raw material costs, particularly for iron ore and coking coal, exacerbated price volatility.

Developed economies grappled with economic uncertainties and inflationary pressures, resulting in more subdued demand. China's domestic policies aimed at stimulating economic growth bolstered demand, while efforts to curb overcapacity and reduce emissions influenced supply. Geopolitical tensions and trade disputes cast a long shadow over the global steel market. Tariffs, quotas, and other trade restrictions distorted trade flows and created uncertainties for industry.



NATIONAL ECONOMY

This year was marked by significant economic challenges for Pakistan, necessitating a comprehensive policy response. The government's efforts to stabilize the economy were underpinned by a Stand-By Arrangement (SBA) secured with the International Monetary Fund. The economy exhibited signs of recovery, with a GDP of around 2.4% primarily driven by a strong performance in the agriculture sector. In contrast, the industrial and services sectors witnessed relatively subdued growth.



Inflationary pressures remained a significant headwind, eroding purchasing power and dampening consumer confidence. The current account deficit continues to pose concerns and requires careful management of foreign exchange reserves. The energy sector remained a critical challenge, with circular debt and capacity payments hindering overall economic performance. Fiscal consolidation efforts were undertaken to address the widening fiscal deficit, but the impact on social spending and economic growth required careful balancing.

Pakistan has secured a staff-level agreement with the IMF for a 37-month Extended Fund Facility (EFF) worth approximately US\$7 billion. This program aims to consolidate economic stability gains, address fiscal imbalances, and foster sustainable growth through structural reforms.

However, the program also comes with significant challenges. Implementing the required policy adjustments, such as tax reforms and subsidy reductions, could be politically difficult and may lead to short-term economic pain. Moreover, the success of the program hinges on the government's ability to build consensus and implement the necessary reforms consistently.

The economic outlook will depend on the sustainability of the achieved macroeconomic stabilization, the pace of structural reforms, and the evolving global economic environment.

BUSINESS REVIEW

The flat steel faced a complex and challenging operating environment during the fiscal year 2023-2024. A confluence of factors, including macroeconomic instability, energy crises, and policy measures, adversely impacted the sector's performance. The substantial increase in gas and electricity prices imposed significant cost pressures on manufacturers resulting in exerting pressure on profit margins. High inflation rates reduced consumer purchasing power, impacting demand for manufactured goods. The misuse of sales tax exemptions given to erstwhile FATA/PATA regions has created an uneven playing field to the detriment of the domestic steel manufacturing industry. The economic slowdown impacted domestic demand for manufactured goods, affecting production levels and capacity utilization. The government's efforts to stabilize the economy, including monetary tightening and fiscal consolidation, had mixed effects on the manufacturing sector. While these measures were necessary to address macroeconomic imbalances, they also contributed to higher borrowing costs and reduced business liquidity.



International Steels Limited demonstrated resilience in navigating the challenging economic landscape. The Company prioritized working capital management by aligning inventory levels with market demand and optimizing the utilization of letters of credit. Through operational efficiency initiatives, including energy conservation and strategic capital allocation, the Company generated substantial cash flows, reducing its reliance on external financing. This strategic focus enabled the maintenance of healthy gross profit margins despite inflationary pressures and a contracting market.

SALES

Despite operating in a challenging market characterized by a decline in overall steel demand, the Company maintained a strong market position, securing a 21% market share. The misuse of tax exemptions in erstwhile FATA/PATA regions posed significant competitive challenges, yet the Company's strategic focus enabled it to navigate these obstacles. Sales revenue reached PKR 69.3 billion, reflecting the Company's ability to optimize its product mix and penetrate key market segments. The Company successfully expanded its export footprint, with a 42% increase in export volumes compared to the previous year.



Product diversification, including specialized grades for the automotive sector, contributed to revenue growth and enhanced market competitiveness.

MANUFACTURING OPERATIONS

The Company has prioritized operational excellence and sustainability. Lean manufacturing principles and Six Sigma methodologies have been instrumental in streamlining production processes, minimizing waste, and enhancing overall efficiency. To mitigate the impact of rising energy costs, the Company is installing a 6.4 MW solar power facility, reducing reliance on external energy sources.

Production aligned with market demand at 274KMT, while innovative packaging solutions and in-house maintenance initiatives contributed to cost reductions. These efforts underscore the Company's commitment to delivering cost-effective solutions while maintaining operational excellence.



HEALTH, SAFETY & ENVIRONMENT

The company believes in and is fully committed to improving Health, Safety, and Environment standards to achieve sustainable HSE performance. Process Safety & Behavior Based Safety across the organization are ensured through HSE Management System integrated with the company's organization scheme and the Company is on track for continuous improvement with a focus on achieving & sustaining leadership levels. The Company has a dedicated Health, Safety & Environment team led by subject matter experts. We have engaged a top-notch HSE expert in the development of a behavioral-based safety culture to create a sustainable and safe working environment for our people, customers, contractors, and the community.

The Company received a fourth consecutive year Corporate Social Responsibility Award at the National Forum for Environment and Health (NFEH).

Implementation of focused safety programs, environmental standards, and strong visible leadership resulted in 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 received a fourth consecutive year Corporate Social Responsibility Award 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.

ENERGY MANAGEMENT

The 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

Revenue for the fiscal year totaled PKR 69.3 billion, representing a 9.71% decrease compared to the previous year. Gross profit margin reduced to

12.37% from 13.82% in the prior year, primarily due to increased energy costs.

Profitability remained robust, with a profit after tax of PKR 3.7 billion. This was underpinned by effective working capital management, which generated a robust cash flow of PKR 4.9 billion from operating activities.

Rs. 3.7 Billion

Profit after Tax

A notable increase of 29% in conversion costs, primarily driven by higher energy tariffs, impacted profitability. Freight expenses surged by 156% due to increased exports. While administrative expenses increased by 22%, other operating expenses decreased by 69%. Financial charges were reduced significantly to PKR 856 million from PKR 2,264 million in the previous year.

EARNINGS PER SHARE

Earnings per share for the year ended June 30, 2024, were Rs. 8.40 compared with Rs. 8.09 per share last year.



VIS CREDIT RATING

VIS Credit Rating Company Limited has maintained the company ratings of 'A+/A-1' (Single A Plus/A-One) reviewed in November 2023. The outlook assigned was upgraded by the credit rating agency to 'Stable' from "Rating Watch - Developing".

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 the 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. Team building activities were organized during the year, involving various cross-functional teams to foster networking and coherence amongst departments. A state-of-the-art gymnasium continues to operate to encourage employees to adopt a healthy lifestyle.

The Company successfully continued its operations with an optimal headcount of 682. The Company has developed a detailed succession plan, which includes performance evaluation and appropriate training requirements for the development of potential future leaders. The Company continued to enhance the capabilities of employees by providing them with development opportunities in prestigious institutions including LUMS, IBA, ICAP and MAP. In addition to local development opportunities at reputable international institutions. In recognition of its good HR practices, the Company was the recipient of the “Diamond Recognition Award” at 10th Employer of the Year awards, from the Employers’ Federation of Pakistan.



The Company remains committed to being an equal opportunity employer and has through various initiatives onboarded females in various managerial positions across different functions within the organizations. The Company also encourages Women in Leadership positions and has female employees as part of the management team.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to sustainable development and has allocated PKR 52 million

towards corporate social responsibility initiatives. Key focus areas include education, healthcare, and environmental conservation. The Company has reduced its carbon footprint through energy efficiency measures and renewable energy adoption.



The Company regularly supports various healthcare facilities including SIUT, Karwan-e-Hayat and Al Rehmat Benevolent Trust, to ensure the provision of quality healthcare facilities to the less privileged section of society.

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 a scholarship program at NED University for deserving students and provides support to The Citizen Foundation and Aga Khan Education Services for their activities related to the promotion of education.

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

RISK MANAGEMENT

The Company employs a robust ERM framework to identify and manage strategic, operational, financial, and compliance risks. Key risks include market volatility, credit risk, operational disruptions, and regulatory changes. Mitigation strategies, such as risk transfer, risk avoidance, and risk reduction, are implemented to manage these risks effectively. A robust system of internal controls has been established, communicated, and monitored through regular self-assessments.

A detailed risk register, encompassing key risks and corresponding controls, is maintained and reviewed

periodically by the Board Audit Committee. A dedicated BAC meeting was held on May 13, 2024, to review the risks and actions in place for their adequate mitigation.

Independent internal audit functions, reporting directly to the Audit Committee, ensure the design and operating effectiveness of these controls.

BOARDS COMPOSITION & REMUNERATION

The composition of the Board and the names of Members of Board Sub-committees are detailed on Page 86.

The Company has formulated a transparent policy and procedures for the remuneration of its directors (refer to note 36 of the financial statements) by the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations 2019.

RECOMMENDATION OF THE BOARD AUDIT COMMITTEE FOR APPOINTMENT OF AUDITOR

The Audit Committee's recommendation for auditor appointment is referred to on Page 103.

DIVIDEND

Given the financial results of the Company for the year 2023-24, the Board of Directors of the Company has recommended a final cash dividend of 30% i.e., Rs. 3.00 per share in addition to the interim cash dividend of 25% i.e., Rs. 2.50 per share, already paid, making a total of 55% i.e., Rs. 5.50 per share for the financial year ended June 30, 2024.

APPROPRIATIONS

	2024	2023
	(Rupees in '000)	
Profit after tax for the year	3,654,814	3,518,790
Interim Dividend 2024 Rs. 2.50 per share; (2023 Rs. 3.00 per share)	(1,087,500)	(1,305,000)
Final Dividend 2024 Rs. 3.00 per share; (2023 Rs. 2.50 per share)	(1,305,000)	(1,087,500)

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND THE ECONOMY

Your Company contributed Rs. 13,335 Mn to the National Exchequer during the year by way of income tax, super tax, sales tax, customs duties, and other levies.

PROVIDENT FUND & GRATUITY FUND

The Company provides retirement benefits to its employees. These include a non-contributory defined benefit Gratuity Fund and a contributory Provident Fund. Both plans are recognized by tax authorities.

The values of the Provident Fund and the gratuity Fund are Rs. 350 Mn (2023: Rs. 256 Mn) and Rs. 502 Mn (2023: Rs. 372 Mn) respectively.

RECOGNITION

ISL won its fifth consecutive award at the 38th Corporate Excellence Awards (CEA) hosted by MAP,

recognizing exceptional performance and management best practices.

ISL received the FPCCI 46th Best Export Performance Award for FY 2021-22, recognizing the company's consistent success in exports.

ISL was awarded the KCCI Best Export Performance Award for two consecutive fiscal years, FY 2019-20 and FY 2020-21.

ISL clinched 1st Prize in the Engineering, Automobile Manufacturing & Spare Parts/Components Sector at the 17th EFP Best Practices Award Ceremony for OSHE 2022.

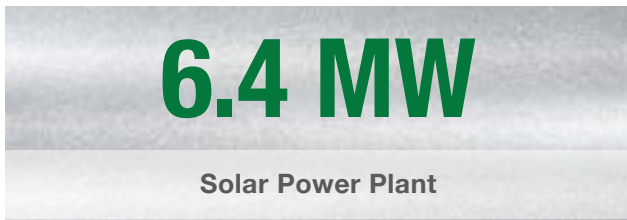
ISL received the prestigious 11th FPCCI Achievement Award for the year 2022. This award, presented at a ceremony held on December 23, 2023, in Islamabad, recognized the company's outstanding contributions to promoting Pakistan's trade and industry.



FUTURE OUTLOOK

The Company anticipates a complex and dynamic operating environment in the coming year. While the ongoing economic challenges pose risks, the Company's strong financial position, operational efficiency, and market focus provide a solid foundation for navigating these uncertainties.

Key factors influencing the outlook include the pace of economic recovery, government policies, global steel market trends, and technological advancements. The Company will continue to prioritize cost management, operational excellence, and market diversification to ensure long-term sustainability and growth.



The company is in the process of installing 6.4 MW solar power plant at its factory and it is expected to be operational in the first half of this financial year. The installation of solar power reinforces the Company's commitment towards green energy and to reduce its carbon footprint. Besides, it will also help to reduce continuously increasing utilities cost.

The company has also made an investment in Supply Chain Management Software which will help to increase the effectiveness of inventory management, timely delivery of products and enhance customer satisfaction.

Yousuf H. Mirza
Chief Executive Officer

Kamal A. Chinoy
Chairman

Karachi: August 20, 2024

The Company subsequent to the financial year end has approved investment of Rs 48.45 million into an Associated Company – Chinoy Engineering & Construction (Private) Limited.

The company has also made an investment in Supply Chain Management Software which will help to increase the effectiveness of inventory management, timely delivery of products and enhance customer satisfaction.

A sustained focus on research and development will be crucial for adapting to evolving market dynamics and maintaining a competitive edge.

The Company remains committed to its stakeholders and will strive to deliver value while contributing positively to the community and the environment.

ACKNOWLEDGMENTS

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

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

قومی خزانے اور معیشت میں شراکت:

اقتصادی چیلنجز، خطرات پیدا کرتے ہیں، کمپنی کی مضبوط مالی حالت، عملی کارکردگی، اور مارکیٹ پر توجہ، ان غیر یقینی صورتوں کو صحیح راستے پر گامزن کرنے کے لئے ایک مضبوط بنیاد فراہم کرتی ہے۔

آپ کی کمپنی نے سال کے دوران انکم ٹیکس، سپرنٹیکس، بیلنس ٹیکس، سسٹم ڈیویڈنڈ اور دیگر لیویز کی مد میں قومی خزانے میں 13,335 ملین روپے جمع کروائے۔

پراویڈنٹ فنڈ اور گریجویٹ فنڈ:

تفصیلاً نظر کو متاثر کرنے والے کلیدی عوامل میں معاشی بحالی کی رفتار، حکومت کی منصوبہ سازی، عالمی اسٹیل مارکیٹ کے رجحانات اور ٹیکنالوجی میں جدت شامل ہیں۔ کمپنی اپنے طویل مدتی قیام اور ترقی کو یقینی بنانے کے لئے لاگت کے انتظام، کارکردگی کے امتیاز اور مارکیٹ کے تنوع کو ترجیح دیتی رہے گی۔

کمپنی اپنے ملازمین کو ریٹائرمنٹ کے فوائد فراہم کرتی ہے۔ ان میں ایک غیر شراکتی وضاحت شدہ فوائد کی گریجویٹ فنڈ اور ایک شراکتی پراویڈنٹ فنڈ شامل ہیں۔ دونوں منصوبے سرمایہ کاری کئے گئے ہیں جو ٹیکس حکام سے تسلیم شدہ ہیں۔

کمپنی اپنے کارخانے میں 6.4 میگا واٹ کاسولر پاور پلانٹ نصب کرنے میں کوشاں ہے اور توقع ہے کہ یہ اس مالی سال کے پہلے نصف میں فعال ہو جائے گا۔ سٹش توانائی کی تنصیب کمپنی کے گرین انرجی کے عزم کو تقویت دیتی ہے اور اس کے کاربن کے اخراج کو کم کرتی ہے۔ اس کے علاوہ یہ پلانٹ یوٹیلٹی کی مسلسل بڑھتی ہوئی لاگت کو کم کرنے میں بھی مددگار ہوگا۔

پراویڈنٹ فنڈ اور گریجویٹ فنڈ کی قدریں بالترتیب 350 ملین روپے (2023؛ 256 ملین روپے) اور 510 ملین روپے (2023؛ 372 ملین روپے) ہیں۔

شناخت:

کمپنی نے سپلائی چین مینجمنٹ سافٹ ویئر میں بھی سرمایہ کاری کی ہے جو انویسٹری کے انتظام کو موثر بنانے، مصنوعات کی بروقت ترسیل اور صارفین کی اطمینان افزائی میں معاون ہوگا۔ مالی سال کے اختتام کے بعد کمپنی نے ایک ایسوسی ایٹڈ کمپنی - چنائے انجینئرنگ اینڈ کنسٹرکشن (پرائیویٹ) لمیٹڈ میں 48.45 ملین روپے کی سرمایہ کاری کی منظوری دی ہے۔

انٹرنیشنل اسٹیل لمیٹڈ نے MAP کی میزبانی میں 38 ویں کارپوریٹ ایکسیلنس ایوارڈز (CEA) میں مسلسل پانچواں ایوارڈ جیتا، جس میں غیر معمولی کارکردگی اور انتظامی بہترین طریقوں کو تسلیم کیا گیا۔

تحقیق اور ترقی پر مسلسل توجہ کا ارتکاز، مارکیٹ کی تغیر پذیری کے مطابق ڈھالنے اور مسابقتی برتری کو برقرار رکھنے کے لئے اہم ہوگا۔ کمپنی اپنے ذی نفع افراد کے لئے پُر عزم ہے اور برادری اور ماحولیات میں مثبت کردار ادا کرتے ہوئے ارزش کی کوشش کرے گی۔

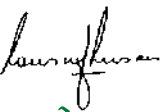
انٹرنیشنل اسٹیل لمیٹڈ نے مالی سال 2021-22 کے لئے ایف پی سی سی آئی (FPCCI) کا 46 واں بہترین برآمدی کارکردگی ایوارڈ حاصل کیا، جو برآمدات میں کمپنی کی مسلسل کامیابی کو تسلیم کرتا ہے۔


تشکر:

بورڈ ہمارے ملازمین، صارفین، فراہم کنندگان، حصے داروں، اور بینکرز کا ان کی مسلسل حمایت کے لئے شکر یہ ادا کرنا چاہتا ہے۔ ذی نفع افراد کے اعتماد اور اچھے تعلقات کی بدولت کمپنی برسوں سے قائم ہے اور ترقی کی راہ پر گامزن ہے۔

انٹرنیشنل اسٹیل لمیٹڈ کو دو مسلسل مالی سالوں، 2019-20 اور 2020-21 کے لئے سی سی آئی (KCCI) بہترین برآمدی کارکردگی ایوارڈ سے نوازا گیا۔

انٹرنیشنل اسٹیل لمیٹڈ نے او ایس ای (OSHE) 2022 کے لئے 17 ویں ای ایف پی (EFP) ”بیسٹ پرفیکٹور ایوارڈ“ کی تقریب میں انجینئرنگ، آٹوموبائل مینوفیکچرنگ اور اسپیر پارٹس/کمپوننٹس سیکٹر میں پہلی پوزیشن حاصل کی۔


یوسف حسین مرزا
چیف ایگزیکٹو آفیسر


کمال اے۔ چنائے
چیرمین

انٹرنیشنل اسٹیل لمیٹڈ نے سال 2022 کے لئے باوقار 11 واں ایف پی سی سی آئی (FPCCI) ایجوینٹ ایوارڈ حاصل کیا۔ یہ ایوارڈ 23 دسمبر 2023 کو اسلام آباد میں منعقدہ ایک تقریب میں پیش کیا گیا، جس میں پاکستان کی تجارت اور صنعت کے فروغ میں کمپنی کی شاندار شراکت کو تسلیم کیا گیا۔

مستقبل کا نقطہ نظر:

کراچی: 20 اگست 2024

کمپنی آنے والے سال میں ایک پیچیدہ اور متحرک آپریٹنگ ماحول کی توقع رکھتی ہے۔ اگرچہ جاری

رسک مینجمنٹ:

کمپنی تدبیری، عملی، مالیاتی اور مطابقت کے خطرات کی نشاندہی اور انتظام کے لئے ایک مضبوط اثر پرائز رسک مینجمنٹ فریم ورک استعمال کرتی ہے۔ اہم خطرات میں مارکیٹ کی غیر یقینی صورت حال، کریڈٹ رسک، خلل اندازی اور ضوابط کی تبدیلیاں شامل ہیں۔ ان خطرات کو موثر طریقے سے منظم کرنے کے لئے تخفیف کی حکمت عملیوں، جیسے کہ خطرے کی منتقلی، خطرے سے بچاؤ، اور خطرے میں کمی کو نافذ کیا جاتا ہے۔ انٹرنل کنٹرول کا ایک مضبوط نظام قائم کیا گیا ہے، آگہی فراہم کی گئی ہے، اور باقاعدہ خود تھخیص کے ذریعے نگرانی کی گئی ہے۔ بورڈ آڈٹ کمیٹی اہم خطرات اور متعلقہ کنٹرول کا احاطہ کرنے والے ایک تفصیلی رسک رجسٹر کی نگہداری کرتی ہے اور وقتاً فوقتاً اس کا جائزہ لیتی ہے۔ خطرات اور ان کی مناسب تخفیف کے لئے کئے گئے اقدامات کا جائزہ لینے کے لئے وقف شدہ بورڈ آڈٹ کمیٹی کا ایک اجلاس 13 مئی 2024 کو منعقد ہوا۔ آڈٹ کمیٹی کو براہ راست رپورٹ کرنے والی آزاد اندرونی پڑتال ان کنٹرولز کے ڈیزائن اور موثر آپریٹنگ کو یقینی بناتی ہے۔

بورڈ کی تشکیل اور مشاہرہ:

بورڈ کی تشکیل اور بورڈ کی سب کمیٹیوں کے اراکین کے نام صفحات نمبر 86 پر تفصیل سے دیئے گئے ہیں۔

کمپنی نے کمپنیز ایکٹ 2017 اور سیکورٹیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2017 کے تحت اپنے ڈائریکٹرز کے مشاہرے کے لئے ایک شفاف پالیسی اور طریقہ کار وضع کیا ہے (حوالہ مالیاتی بیانات، نوٹ 35)۔

آڈیٹری تقرری کے لئے بورڈ آڈٹ کمیٹی کی تجویز:

آڈیٹری تقرری کے لئے آڈٹ کمیٹی کی تجویز صفحہ 103 پر دی گئی ہے۔

ڈیویڈنڈ:

کمپنی کے مالی سال 2023-24 کے مالیاتی نتائج کو مد نظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے اختتام مالی 30 جون 2024 کے لئے حتمی نقد منافع کے 30 فیصد کی سفارش کی ہے یعنی فی حصص 3.00 روپے کے ساتھ 25 فیصد عبوری نقد منافع یعنی 2.50 روپے فی حصص جو کہ پہلے ادا کیا جا چکا ہے، اس کا کل 55 فیصد یعنی 5.50 روپے فی حصص بنتا ہے۔

کمپنی نے 682 کی بہترین کل نفری کے ساتھ اپنی کارکردگی جاری رکھی۔ کمپنی نے جانشینی کے لئے ایک تفصیلی منصوبہ تیار کیا ہے، جس میں مستقبل کے باصلاحیت رہنماؤں کی ترقی کے لئے کارکردگی کا جائزہ اور موزوں ترقی ضروریات شامل ہیں۔ کمپنی نے ملازمین کی اہلیت کو بڑھانے کے لئے معتبر اداروں بشمول MAP، ICAP، IBA، LUMS اور IICAP میں ترقی کے مواقع کی فراہمی کو جاری رکھا۔ مقامی ترقی کے مواقع کے علاوہ معزز بین الاقوامی اداروں میں بھی اس فراہمی کو جاری رکھا۔ اپنی ایچ آر کی اچھی کارکردگی کے اعتراف میں کمپنی کو پاکستان کے ایمپلائز فیڈریشن کی جانب سے دوسری ایچ آر ایسٹیم ایوارڈ دی ایوارڈز میں ’ڈائمنڈ ریکلنیشن ایوارڈ‘ سے نوازا گیا۔

کمپنی بحیثیت مساوی مواقع فراہم کرنے والے آجر پابند ہے اور مختلف اقدامات کے ذریعے ادارے میں متنوع شعبوں کے مختلف انتظامی عہدوں پر خواتین کو فائز کیا ہے۔ کمپنی قیادت کے عہدوں پر خواتین کی حوصلہ افزائی بھی کرتی ہے اور انتظامی ٹیم میں خواتین ملازمین شامل ہیں۔

اجتماعی سماجی ذمہ داری:

کمپنی یا سیدار ترقی کے لئے پر عزم ہے اور کارپوریٹ سماجی ذمہ داری کے اقدامات کے لئے 52 ملین پاکستانی روپے مختص کئے ہیں۔ اہم توجہ کے شعبوں میں تعلیم، صحت کی دیکھ بھال، اور ماحولیاتی تحفظ شامل ہیں۔ کمپنی نے توانائی کی کارکردگی کے اقدامات اور قابل تجدید توانائی کو اپنانے کے ذریعے اپنے کاربن کے اخراج کو کم کیا ہے۔ کمپنی نے صحت کی دیکھ بھال، تعلیمی اور سماجی ترقی کے مختلف منصوبوں میں 52 ملین روپے کا تعاون کیا۔

کمپنی باقاعدگی سے صحت کی دیکھ بھال کی مختلف سہولیات کے ضمن میں معاونت کرتی ہے جس میں SIUT، کاروان حیات اور ارحمت ہینولینٹ ٹرسٹ کی اعانت شامل ہے، تاکہ معاشرے کی کمزور اعلیٰ طبقے کے لئے صحت کی دیکھ بھال کی معیاری سہولیات کو یقینی بنایا جاسکے۔

انٹرنیشنل اسٹیل لمیٹڈ کا ماننا ہے کہ ہمارے ملک کا مستقبل اعلیٰ معیاری تعلیم سے جڑا ہوا ہے۔ تعلیم پائیدار معاشی ترقی کے ساتھ ساتھ معاشرے میں انسانی اور سماجی میل جول کے لئے بھی ناگزیر ہے۔ کمپنی نے این ای ڈی یونیورسٹی میں مستحق طلباء کے لئے ایک اسکالرشپ پروگرام جاری رکھا ہے، اور تعلیم کے فروغ کے سلسلے میں اسٹیزن فاؤنڈیشن اور آغا خان ایجوکیشن سروسز کی معاونت کرتی ہے۔

کمپنی عام سلطان چنائے فاؤنڈیشن جیسی تنظیموں کی حمایت کر کے سماجی ترقی اور برادری کی ترقی کے اقدامات کے سلسلے میں بھرپور تعاون کا مظاہرہ کرتی ہے۔

تخصیصات

۲۰۲۳		۲۰۲۲		روپے '000 میں
3,518,790	3,654,814			
(1,305,000)	(1,087,500)			عبوری منافع منقسمہ 2024: 2.50 روپے فی شیئر؛ (3.00 روپے فی شیئر)
(1,087,500)	(1,305,000)			حتمی منافع منقسمہ 2024: 3.00 روپے فی شیئر؛ (2.50 روپے فی شیئر)

ڈائریکٹرز کی رپورٹ

انٹرنیشنل اسٹیل لمیٹڈ کے ڈائریکٹرز کمپنی کی سترہویں سالانہ رپورٹ بشمول 30 جون 2024 کو اختتام پزیر ہوئی۔ سال کے آڈٹ شدہ مالیاتی گوشواروں کو پیش کرتے ہوئے پُرمسرت ہیں۔

اسٹیل کا عالمی منظر نامہ:

اسٹیل کی عالمی صنعت کو ایک پُر آشوب سال کا سامنا رہا، جو قیمتوں کی غیر یقینی صورت حال، سپلائی چین میں خلل اور اہم مارکیٹوں میں طلب کی کمزوری سے موسوم تھا۔ ہارٹ ولڈ کوئل (ایچ آر سی) کی اوسط قیمت پچھلے سال کے مقابلے میں 9 فیصد کم ہوئی جبکہ لوہے کے خام مال اور کوئنگ کوئلے کی قیمتوں میں بالترتیب 25 فیصد اور 35 فیصد کے اتار چڑھاؤ دیکھے گئے۔ باہم مربوط متعدد عوامل نے ایک رخ میں اس شعبے کے مدار کو تشکیل دیا۔ اسٹیل کی قیمتوں میں نمایاں اتار چڑھاؤ آیا جو سپلائی چین میں خلل اور افراط زر کے دباؤ کے امتزاج سے متاثر ہوا جس نے خوش بینی کو متاثر کیا جس کی وجہ سے خام مال کی قیمتوں، خاص طور پر لوہے کے خام مال اور کوئنگ کوئلے کی قیمتوں میں تزلزل بڑھا۔

ترقی یافتہ معیشتوں نے اقتصادی غیر یقینی اور افراط زر کے دباؤ کا سامنا کیا، جس کے نتیجے میں طلب میں کمی آئی۔ چین کی داخلی پالیسیاں جن کا ہدف اقتصادی ترقی کو فروغ دینا تھا، نے طلب کو تقویت دی، جبکہ اضافی صلاحیت کے ختم ہونے اور اخراج کی کمی نے سپلائی کو متاثر کیا۔ جغرافیائی سیاسی تناؤ اور تجارتی تنازعات نے اسٹیل کی عالمی مارکیٹ پر گہرے نقوش چھوڑے۔ محصول، معینہ مقدار اور دیگر تجارتی پابندیوں نے تجارتی بہاؤ کو بگاڑ دیا اور صنعت کے لئے غیر یقینی صورتحال پیدا کی۔

قومی معیشت:

اس سال پاکستان کو اہم اقتصادی چیلنجز کا سامنا رہا، جس کے لئے جامع پالیسی کا رد عمل لازمی ہو گیا۔ حکومت کی معیشت کو مستحکم کرنے کی کوششیں اسٹیبلٹی اور منجمنٹ (ایس بی اے) پر مبنی تھیں جسے بین الاقوامی مالیاتی فنڈ کا تحفظ حاصل تھا۔ بنیادی طور پر زرعی شعبے کی مضبوط کارکردگی کی بدولت تقریباً 2.4 فیصد جی ڈی پی کے ساتھ معیشت میں بحالی آئی۔ اس کے برعکس صنعتی اور خدمات کے شعبوں میں نسبتاً کم ترقی دیکھی گئی۔

افراط زر کا دباؤ واضح طور پر مخالف رہا جس نے قوت خرید اور صارفین کے اعتماد کو کمزور کیا۔ کرنٹ اکاؤنٹ میں خسارہ مسلسل تشویشناک رہتا ہے اور اس کو غیر ملکی زرمبادلہ کے ذخائر کے محتاط انتظام کی ضرورت ہے۔ توانائی کا شعبہ ایک اہم چیلنجز رہا جس میں سرکلر قرض اور کلبھیٹی پیمنٹ مجموعی اقتصادی کارکردگی میں رکاوٹ بنیں۔ مالیاتی استحکام کی کوششیں وسیع مالیاتی خسارے کو دور کرنے کے لئے کی گئیں لیکن سماجی اخراجات اور اقتصادی ترقی پر ہونے والے اثرات کو احتیاط سے متوازن کرنے کی ضرورت تھی۔

پاکستان نے تقریباً 7 ارب امریکی ڈالر مالیت کے 37 ماہ کی ایکٹیو ڈیفنڈ فیئسٹی (ای ای ایف ایف) کے لئے آئی ایم ایف کے ساتھ اسٹاف لیول معاہدہ کر لیا ہے۔ اس پروگرام کا مقصد اقتصادی استحکام کے فوائد میں مضبوطی پیدا کرنا، مالیاتی عدم توازن کو دور کرنا اور ساختی اصلاحات کے ذریعے پائیدار ترقی کو فروغ دینا ہے۔

تاہم اس پروگرام کے ساتھ اہم چیلنجز بھی ہیں۔ مطلوبہ پالیسی ایڈجسٹمنٹ، جیسے کہ ٹیکس اصلاحات اور سیسڈی میں کمی کو نافذ کرنا سیاسی طور پر مشکل ہو سکتا ہے اور قلیل مدتی اقتصادی مشکلات کا باعث بن سکتا ہے۔ مزید برآں پروگرام کی کامیابی حکومت کی صلاحیت پر منحصر ہے کہ وہ اتفاق رائے پیدا کرے اور ضروری اصلاحات کو مستقل طور پر نافذ کرے۔ اقتصادی ظاہری صورت حاصل شدہ میکرو اکنامک استحکام کی پائیداری، ساختی اصلاحات کی رفتار اور عالمی اقتصادی ماحول کی تبدیلی پر منحصر ہوگا۔

کاروباری جائزہ:

مالی سال 2023-2024 کے دوران فلیٹ اسٹیل کو ایک پیچیدہ اور چیلنجنگ آپریننگ ماحول کا سامنا کرنا پڑا۔ متعدد عوامل، بشمول میکرو اکنامک عدم استحکام، توانائی کے بحران اور پالیسی اقدامات نے اس شعبے کی کارکردگی کو منفی طور پر متاثر کیا۔ گیس اور بجلی کی قیمتوں میں نمایاں اضافے کی وجہ سے مینوفیکچرنگ کی لاگت میں اضافہ ہوا جس کے نتیجے میں منافع کی شرح متاثر ہوئی۔ افراط زر کی بلند شرحوں نے صارفین کی خریداری کی طاقت کو کم کیا جس سے تیار شدہ اشیاء کی طلب متاثر ہوئی۔ سابقہ فنانسنگ علاقوں کو دی گئی سیکورٹیز چھوٹ کے غلط استعمال نے ایک غیر مساوی میدان پیدا کیا جو مقامی اسٹیل مینوفیکچرنگ صنعت کے لئے نقصان کا باعث بنا۔ اقتصادی سست روی تیار شدہ اشیاء کی مقامی طلب پر اثر انداز ہوئی جس سے پیداوار کی سطح اور صلاحیت کے استعمال پر اثر پڑا۔ معیشت کو مستحکم کرنے کے لئے حکومت کی کوششوں، بشمول مالیاتی تنگی اور مالیاتی استحکام نے مینوفیکچرنگ سیکٹر پر مخلوط اثرات مرتب کئے۔ گوکہ یہ اقدامات میکرو اکنامک عدم توازن کو دور کرنے کے لئے ضروری تھے لیکن انہوں نے قرض کی لاگت میں اضافے اور کاروباری لیکویڈٹی میں کمی میں بھی ایک کردار ادا کیا۔

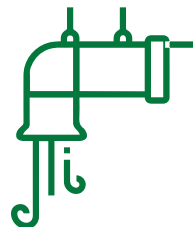
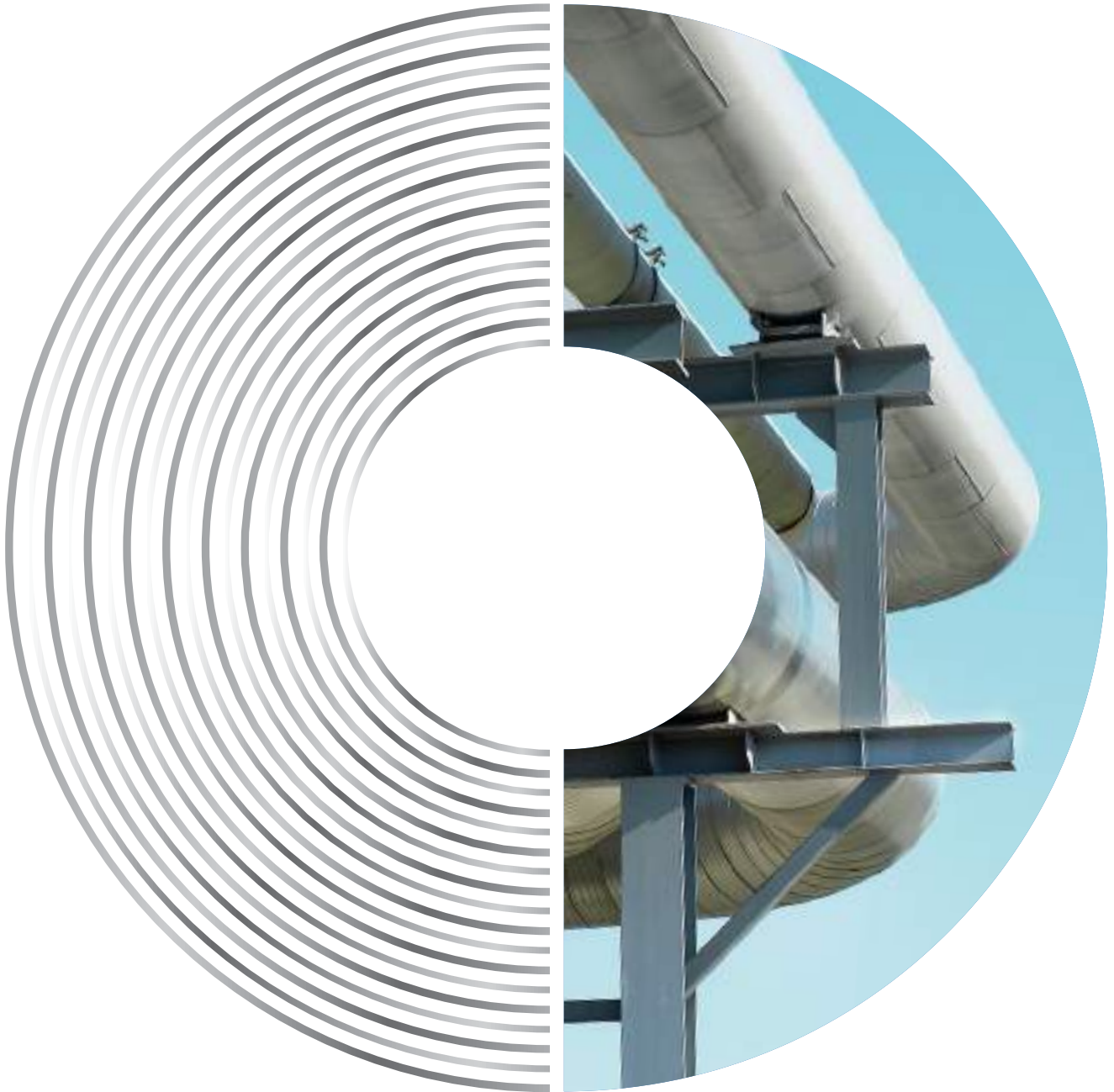
انٹرنیشنل اسٹیل لمیٹڈ نے چیلنجنگ اقتصادی منظر نامے میں چلک کا مظاہرہ کیا۔ کمپنی نے مارکیٹ کی طلب کے ساتھ انوینٹری کی سطح کو ہم آہنگ کر کے اور لیٹر آف کریڈٹ کے استعمال کو بہتر بنا کر ورکنگ کیپٹل منجمنٹ کو ترجیح دی۔ عملی کارکردگی کے اقدامات، بشمول توانائی کے تحفظ اور اسٹریٹیجک کیپٹل الاٹمنٹ کے ذریعے کمپنی نے خاطر خواہ نقد بہاؤ پیدا کیا جس سے بیرونی مالیات پر انحصار کم ہوا۔ اس تدبیری توجہ نے افراط زر کے دباؤ اور ستمی ہوئی مارکیٹ کے باوجود بھرپور مجموعی منافع کی شرح کو برقرار رکھنے کے قابل بنایا۔

فروخت:

اسٹیل کی مجموعی طلب میں تنزلی کا شکار چیلنجنگ مارکیٹ میں کام کرنے کے باوجود کمپنی نے 21 فیصد مارکیٹ شیئر حاصل کر کے مضبوط مارکیٹ پوزیشن برقرار رکھی۔ سابقہ فنانسنگ علاقوں

Sustainability Report

Made of Stewardship



Our commitment to a safe environment draws strength from our eco-friendly, and considerate practices.

Our Commitment to Society and Community

As we reflect on the past year, marked by continued economic challenges in Pakistan, we reaffirm our dedication to both our business and the communities we serve.



The ongoing economic turbulence, volatile commodity markets, and stringent financial conditions, has tested our nation's resilience. These factors have also intensified inflationary pressures and strained foreign exchange reserves, further slowing economic growth.

In response to these adversities, International Steels Limited (ISL) remains committed to its role as a responsible corporate leader. We are navigating these tough times by focusing on operational efficiency, energy conservation, and innovation. Our dedication to quality and sustainability has enabled us to maintain robust gross profit margins, even in a contracting economy. By embracing productivity enhancements and a lean manufacturing approach, we have effectively managed costs, mitigating the impact of inflationary pressures.

However, the domestic industry continues to face significant challenges, particularly from the misuse of sales tax and advance income tax exemptions in the FATA/PATA regions. This issue has led to a significant revenue shortfall for the national exchequer, supporting the undocumented economy and creating distortions in the competitive landscape of the domestic manufacturing sector. ISL remains actively engaged with the government to address this disparity and foster fair competition.

As the economy begins to stabilize following the general elections in February 2024, improved

business confidence is emerging. Political certainty, a successful IMF review, and a reduction in inflation, coupled with a stable currency, have contributed to this stabilization. However, managed imports and significant increases in gas and electricity tariffs have impacted the domestic manufacturing industry, leading to a contraction in large-scale manufacturing and a decline in GDP growth.

Central to our business philosophy is a steadfast commitment to global quality standards and sustainable practices. Our 6.4 MW solar power project at our Karachi factory is a testament to our commitment to environmental responsibility and sustainable manufacturing. This initiative - part of our Clean, Lean, and Green approach—aims to reduce our carbon footprint and cut energy costs. We actively pursue initiatives that conserve vital natural resources, ensuring we play our part in protecting the environment for future generations.

As we look ahead, ISL remains focused on optimizing working capital management, enhancing operational efficiencies, and responding to changing economic indicators. We are confident that our proactive strategies will enable us to maintain a robust financial position and seize emerging opportunities in both domestic and export markets.

In conclusion, we extend our deepest appreciation to our employees and stakeholders for their continued support and confidence. Together, we will continue to build a future where business success and societal well-being go hand in hand.

A handwritten signature in black ink, appearing to read 'Yousuf H. Mirza', written in a cursive style.

Yousuf H. Mirza
Chief Executive Officer

Our Value System



1

INTEGRITY

At our core, we uphold the highest ethical standards, cultivating a culture of trust and transparency both within and outside our organization. This unwavering commitment to integrity guides our every action.

DIVERSITY

We stand as an exemplar of equal opportunity, embracing diversity in its entirety. Our stance is uncompromising zero bias towards gender, race, ethnicity, or religion. We foster an environment that celebrates open expression of opinions and encourages inclusivity.

2



3

RESPECT FOR PEOPLE

People are our cornerstone. We believe in prioritizing individuals, nurturing a culture where their well-being takes precedence. We invest in their growth, ensuring that we hire, develop, and retain talents to form synergistic teams in alignment with our mission and vision.

FAIRNESS

Our dedication to fairness is reflected in every facet of our operations. Our policies and procedures are a testament to this commitment—promoting equal treatment, from selection and hiring to rewarding and compensating every employee. We recognize the worth of every stakeholder.

4



5

RESPONSIBILITY

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

10 UN GC Principles

ISL has set a benchmark for sustainability and corporate conduct by aligning with the United Nations Global Compact (UGC). At the heart of corporate sustainability lies a company's core values and a principled approach to business operations. This translates into operations that fulfill fundamental responsibilities in crucial domains such as human rights, labor, environment, and anti-corruption.

Our dedication to these shared principles actively guide us to integrate Global Compact principles into our strategies, policies, and procedures, with a strong emphasis on fostering a culture that embodies transparency and integrity. Through these efforts, we ardently strive to pave a steadfast path toward enduring sustainability.

Human Rights

Principle 1

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

Principle 2

make sure that they are not complicit in human rights abuses.



Labour

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; and

Principle 6

the elimination of discrimination in respect of employment and occupation.



Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.



Anti-corruption

Principle 10

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



Our Stakeholders

SHAREHOLDERS

- Enhance Shareholder value by prioritizing transparency and openness, while maintaining the utmost commitment to rigorous corporate governance and securing uninterrupted business continuity.

CUSTOMERS

- Furnish top-tier products at prices that are both just and transparent to our customers, while empowering downstream industries with effortless access to essential raw materials.
- Engineer a product range tailored to cater to a multitude of industrial sectors across the nation.
- Secure a sustainable supply of flat steel products with customer service excellence.

SOCIETY

- Promote social uplift and welfare 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.



EMPLOYEES

- Provide sustainable employment opportunities to a diverse range of skilled individuals.
- Embrace diversity and inclusion wholeheartedly, upholding employee welfare and well-being while maintaining a steadfast stance against sexual harassment and misconduct.
- Cultivate a safety culture that ensures the optimal work environment for all.

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.

Stakeholders' Communication

STAKEHOLDER	FREQUENCY	ACTIVITIES	VALUE CREATION
Employees	Ongoing	<ul style="list-style-type: none"> • Employee feedbacks • Surveys • In house training • Townhall meetings • Emails • Newsletters 	<ul style="list-style-type: none"> • Career Growth • Learning and development • Health and Safety
Customers	Ongoing	<ul style="list-style-type: none"> • Customer visits • Exhibitions • Company organized events 	<ul style="list-style-type: none"> • Quality product • Fair pricing development • Timely 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).	<ul style="list-style-type: none"> • Sustained economic returns • Business growth
Society	Ongoing	<ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) • Donations • Support for social causes 	<ul style="list-style-type: none"> • Social Welfare • Better access to opportunities
Government and Industrial Groups	Ongoing / As and when	Meeting with key stakeholders	<ul style="list-style-type: none"> • Adequate representation • Knowledge 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 THE AGENCY	ISL'S ASSOCIATION
Pakistan Environment Agency	✓
Sindh Environment Protection Agency	✓
Federal Board of Revenue	✓
Civil Defense	✓
Labor Directorate	✓
Employers Federation of Pakistan	✓
National Forum for Environment and Health	✓

Sustainability and CSR

Advancing in Responsible Practices



At ISL, we are inspired by the Sustainable Development Goals (SDGs) and are committed to aligning our practices with these global benchmarks. Our dedication to sustainability drives us to integrate responsible practices across all facets of our operations, ensuring that we contribute positively to environmental stewardship, social equity, and economic growth. Through our compliance with these goals, we strive to make a meaningful impact and foster a sustainable future for all.



Employees

At ISL, we are deeply committed to creating a meaningful societal impact through diverse initiatives, including the generation of job opportunities, facilitation of skill development, provision of on-the-job training, and promotion of employee well-being in a secure and nurturing work environment.

In today's fast-paced and competitive business landscape, an organization's most valuable asset is its human capital. We at ISL understand this fundamental truth. Our Human Resources Department meticulously crafts policies that not only align with our strategic business objectives but also serve as catalysts for employee career growth and self-improvement. This approach empowers our employees to become high-performing contributors who embody the core values and vision of our company.



Central to ISL's operations is an unwavering commitment to a code of conduct that champions workplace equity and inclusivity. We embrace diversity across gender, race, and religion, foster a culture of collaboration, uphold respect for every individual, prioritize safety, and actively promote employee well-being.

TALENT ACQUISITION AND PROFESSIONAL GROWTH

At ISL, we are deeply committed to nurturing the innate potential of our workforce. Our recruitment process is thoughtfully crafted to identify and bring on board the best talent, with a focus on well-defined, role-specific criteria. We go beyond just assessing skills and aptitude; we place great

importance on evaluating a candidate's values to ensure alignment with our company culture.

By drawing from the top talent in the industry, ISL's recruitment strategy is complemented by an extensive orientation program. This program immerses new team members in our business operations, introduces them to our customers, and familiarizes them with the complexities of our processes. This thorough onboarding experience ensures a smooth transition, helping employees quickly grasp the company's structure, values, and operational flow.

Our emphasis on developing well-rounded professionals equips employees with the insight and passion needed to thrive in their roles. This approach not only enhances their ability to achieve and exceed performance goals but also deepens their connection to ISL's mission and vision.

Our HR department collaborates closely with departmental heads to identify critical roles, assess current talent, and pinpoint potential successors within each team. Through comprehensive talent reviews, personalized development plans, and succession training initiatives, we ensure a smooth transition of key responsibilities and leadership positions, fostering long-term organizational stability and growth.

WELLBEING

At ISL, we place the utmost importance on managing both physical and mental health, recognizing it as the foundation of a balanced work-life dynamic.



We actively encourage our employees to cultivate a healthy balance between work and personal life, fostering a work environment that supports their well-being while maintaining high levels of productivity.

GYM FACILITIES

To prioritize the physical well-being of our workforce, ISL has established a state-of-the-art gym at our manufacturing facility, fully equipped with modern amenities, including hot shower facilities. This gym is managed by professional trainers who not only maintain the facility but also provide personalized guidance to employees during their workout sessions.

COMPENSATION AND BENEFITS

ISL is committed to offering competitive and comprehensive compensation packages.

We regularly benchmark our compensation plans against industry leaders, conducting salary surveys to ensure that our remuneration remains competitive and includes regular annual increments.

Our compensation packages are robust, comprising annual performance bonuses, the Workers Profit Participation Fund, Provident Fund, and Gratuity Fund. We also provide comprehensive health insurance, life insurance, mobile phone allowances, company-maintained vehicles, and fuel allowances. To further support work-life balance, we offer a variety of leave options, including annual, sick, casual, and maternity leave, tailored to meet the diverse needs of our employees.

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.



DIVERSITY AND INCLUSION

At ISL, we are proud to be an equal opportunity employer, committed to empowering individuals by respecting and celebrating the diversity that makes each person unique. We value differences in age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin, recognizing that these differences enrich our workplace and contribute to our success.

We ensure that the contributions, presence, and perspectives of diverse groups are not only valued but seamlessly integrated into our operations. Over the years, we have seen a significant increase in the representation of women in our workforce, and we remain dedicated to developing roles that are gender-neutral, fostering an inclusive environment where everyone has the opportunity to thrive.

GENDER EQUALITY

ISL is committed to being the employer of choice in Pakistan, with a focused effort to attract and retain talent across all genders and age groups. Central to our mission is achieving gender equality and ensuring balanced representation of women within our workforce. As a leading industrial manufacturer located on the outskirts of the city, we provide transportation services to all female employees at our manufacturing facility, ensuring they have safe and convenient access to the workplace.



Over the years, ISL has made significant strides in increasing the representation of women in management roles. These skilled professionals contribute across a wide array of functions, including HR, finance, sales, marketing, IT, supply chain, procurement, planning, engineering, and production.

Our dedication to gender equality extends across the ASC Group, where we cultivate a culture of inclusivity and diversity, ensuring that everyone has an equal

opportunity to succeed. On March 8th, 2024, International Steels Limited, International Industries Limited, and Pakistan Cables joined forces to celebrate International Women's Day under the theme "Embrace Equity." The event underscored the importance of creating an inclusive and diverse workplace where each individual is valued and empowered. We remain committed to advancing our efforts to build equitable work environments for all.

Child Care Policy

At ISL, we recognize the importance of supporting our employees as they balance their professional responsibilities with the demands of parenthood. Our Child Care Policy is designed to provide comprehensive support to both new mothers and fathers, ensuring a healthy work-life balance during the critical early years of a child's life.

- Parental Leaves

Male employees are entitled to one week of paid paternity leave to support their family during the birth of a child.

Female employees are entitled to four months of paid maternity leave.

- Newborn to 5 Years

To assist with child care, ISL provides new mothers with a monthly allowance.

CONVEYANCE ALLOWANCE AND TRANSPORTATION FACILITY FOR FEMALE EMPLOYEES

Female employees working at ISL's head office are provided with a conveyance allowance and female employees working at our factory and service centers are provided with a transportation facility, ensuring safe and reliable travel to and from the workplace.

SAFETY AWARENESS AND PRACTICES

At ISL, we are deeply committed to fostering a safe workplace that minimizes injury risks for both employees and visitors. This dedication is reflected in our rigorous Occupational Health, Safety, and Environment (OHS&E) System, expertly managed by our HSE Department.

Our safety program operates with well-defined reporting parameters designed to address and mitigate behaviors that could lead to adverse

incidents. By promoting a culture of shared responsibility, our HSE initiatives ensure a safe environment with minimal hazards. Clear, large-scale safety illustrations detailing protocols, exit routes, and cautionary signs are prominently displayed throughout our factory floors and offices.



Safety is an integral part of our daily operations. Before starting their tasks, employees are required to wear appropriate protective gear, including safety gloves, goggles, and ear protectors. Designated safety pathways within the factory facilitate secure movement. We also engage expert consultants to continuously evaluate and refine our safety practices, and our workforce undergoes regular training from industry specialists to reinforce safety protocols across all teams.

Recent first aid training and fire drills conducted at various locations across Pakistan have successfully equipped our employees with essential emergency response skills. These sessions ensure that staff are well-prepared to handle fire or health emergencies with confidence.

For specialized tasks with inherent risks, such as working at heights, we enforce a mandatory "permit to work" or safety clearance protocol. This stringent measure underscores our unwavering commitment to ensuring that all safety procedures are rigorously followed. The company organized 11 sessions, representing 348 man-hours on different safety programs during the year.

LOGISTICS SAFETY MEASURES

Our product information and HSE standards provide comprehensive guidelines for the safe handling of products, significantly mitigating the risk of injuries during material transit and transportation.

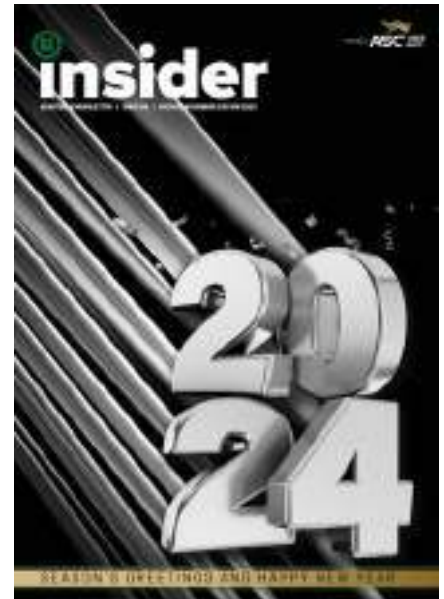
ISL INSIDER - NEWSLETTER

ISL Insider is a vibrant chronicle of updates, insights, and stories from the heart of International Steels Limited. With three issues published, this newsletter exemplifies our commitment to transparent communication and engagement with our employees and stakeholders.

Each edition weaves together experiences ranging from our advancements in innovation and sustainability to the outstanding achievements of our dedicated workforce.

The ISL Insider Newsletter not only reflects our dynamic journey but also serves as a platform to share notable accomplishments, industry trends, insights, and our collective vision for the future. As we continue to evolve and grow, this newsletter remains a reliable window into the world of ISL—where progress, people, and purpose converge.

The newsletters can be viewed at:
<https://isl.com.pk/past-newsletters/>

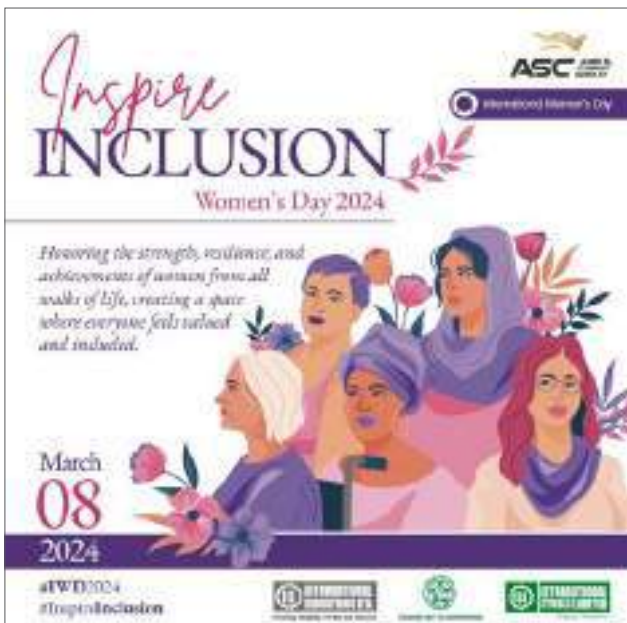


Inspire Inclusion - Women's Day 2024

HONORING THE STRENGTH, RESILIENCE, AND ACHIEVEMENTS OF WOMEN

On March 8th, 2024, the ASC Group proudly commemorated International Women's Day with a remarkable event that united inspiring women from across our esteemed companies:

International Steels Limited, International Industries Ltd (IIL), and Pakistan Cables. This celebration was not only a tribute to the strength and resilience of women but also a testament to our ongoing commitment to creating an inclusive space where everyone feels valued.



1st ASC Women's Cricket Tournament 2023

PAVING THE WAY FOR INCLUSIVITY: THE ASC WOMEN'S CRICKET TOURNAMENT 2023

Traditionally viewed as a gentleman's game, cricket has transcended boundaries and stereotypes, evolving into a sport that embraces diversity and

inclusivity. The ASC Women's Cricket Tournament 2023 stands as a powerful testament to our commitment to equality and empowerment. It provided a platform for our women cricketers to showcase not only their athletic skills but also their determination and sportsmanship.



Customers

CUSTOMER-CENTRIC APPROACH

At ISL, our customers are at the core of everything we do. They are not merely clients but valued partners who have been instrumental in our journey toward success. Our diverse base of domestic and international customers provides the essential support that drives our achievements.



A COLLABORATIVE ENDEAVOUR

Our organization thrives on seamless collaboration across all departments—planning, production, quality assurance, service center, information technology, and sales and marketing. This integrated approach ensures we exceed customer expectations by delivering value-added services and consistent after-sales support to both industrial and commercial clients. By understanding the complexities of their operations and addressing their unique needs, we solidify our role as committed partners.



CUSTOMER AWARENESS

The ISL sales and marketing team is key to crafting strategies that combine information and engagement, bolster our brand, and stimulate product and service sales. Our sales representatives actively connect with customers through regular visits, expos, seminars, and exhibitions. Additionally, our website offers easy access to marketing materials and quality certifications when needed, ensuring vital information is readily available.

To maintain active brand awareness & leadership among customers and in steel markets, ISL regularly conducts retail branding activities which includes identifying and mapping new shops, installing an ISL shop fascia on them, providing maintenance on existing retail points and executing in-shop branding as well.



AFTER SALES SUPPORT

We place a high priority on maintaining open lines of communication with our customers. Our regional and international sales teams are dedicated to providing comprehensive support, including meticulous complaint recording and resolution through our Quality Management System and Complaint Handling Teams.

CUSTOMER ENGAGEMENT

To strengthen customer relationships and enhance brand loyalty, we regularly host corner meetings in various cities. These events facilitate valuable interactions between customers, end-users, and ISL management, fostering insightful discussions. We also offer virtual tours through corporate videos and presentations,

providing fabricators with an in-depth understanding of our operations. To further solidify these relationships, we organize events such as iftars, lunches, and dinners. Throughout the year, our sales teams distribute a variety of giveaways to express our gratitude for their continued support.

ISL CUSTOMER PORTAL

In our commitment to enhancing customer experiences, we proudly introduce the ISL Customer Portal—a significant advancement in our customer-centric approach. This digital platform offers a unified gateway for customers to access products, ledgers, and other transactional details. With a secure and personalized interface, the ISL Customer Portal protects sensitive information through username and password authentication. Customers can easily place orders, access ledger information, and manage various functions from their offices or homes via computers or smartphones. The portal provides a comprehensive overview of orders and transactional data, enhancing transparency and convenience. Access to the ISL Customer Portal is seamless and secure through a dedicated webapp, elevating the overall customer experience. ISL rolled out the ISL Customer Portal to ISL Dealers and select industrial customers from Q2 FY24.

FACILITATING PAYMENTS

In our pursuit of excellence, we are proud to announce the collaboration with two leading banks in integrating ISL with their internet banking system. In addition, during the year, a leading bank completed the setup of virtual accounts and configured integration for automatic receipt creation. The virtual account product complements our existing payment channels, enhancing convenience and efficiency for our valued customers.



International Expos and Exhibitions

THE BIG 5 GLOBAL EXHIBITION - DUBAI INTERNATIONAL BUILDING AND CONSTRUCTION SHOW

The Big 5 Global is the largest and most influential event for the construction industry, serving as a pivotal gateway between East and West with its global hub in Dubai. International Steels Limited participated in this prestigious event, held from December 4th to 7th, 2023, at the Dubai World Trade Centre, UAE.

As the premier event for the construction sector in the Middle East, The Big 5 Global attracted over 2,200 exhibitors from more than 150 countries, all showcasing the latest products and technologies that are shaping the future of construction. It was an exciting opportunity for the Company to engage with industry leaders and stakeholders, underscoring our commitment to innovation and excellence in steel manufacturing.

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construction. It was an exciting opportunity for the Company to engage with industry leaders and stakeholders.



THE BIG 5 CONSTRUCT SAUDI - RIYADH INTERNATIONAL BUILDING AND CONSTRUCTION SHOW

International Steels Limited's team participated in The Big 5 - Construct Saudi, Saudi Arabia's premier construction event. This prestigious expo, which highlights the future of steel and construction in the Gulf region, was held at the Riyadh Front Exhibition and Conference Center from February 26th to February 29th, 2024.

As an industry leader dedicated to innovation and excellence, ISL embraced this opportunity to engage with key stakeholders, showcase our state-of-the-art solutions, and contribute to the ongoing advancement of the construction sector in Saudi Arabia.

SMU STEEL SUMMIT 2023 – GEORGIA, ATLANTA, USA

ISL participated in the SMU Steel Summit 2023, recognized as America's premier steel conference, held from August 21 to 23, 2023.



Domestic Expos and Exhibitions Pakistan

PAKISTAN HVACR INTERNATIONAL EXPO 2024 ISL HIGHLIGHTS ITS COATED STEEL PORTFOLIO AT THE PREMIER HVACR INDUSTRY EXHIBITION

International Steels Limited (ISL) participated in the Pakistan HVACR Expo held from May 23rd to 25th, 2024, at the Expo Centre, Lahore. The event, which serves as a significant platform for the HVACR

industry, saw ISL showcasing its commitment to advancing Pakistan's steel industry.

ISL engaged with industry professionals, highlighting its innovative steel solutions and contributions to the sector. The expo provided an excellent opportunity for ISL to connect with stakeholders, demonstrating its dedication to pushing the boundaries of steel manufacturing in Pakistan.



3RD ENGINEERING & HEALTHCARE SHOW 2024: ASC GROUP COMPANIES' PARTICIPATION

International Industries Limited, Pakistan Cables, and International Steels Limited proudly participated in the 3rd Engineering and Healthcare Show 2024. As the flagship event organized by the Trade Development Authority of Pakistan (TDAP), EHSC 2024 attracted

over 180 leading manufacturers who showcased their latest innovations. The event was a significant platform for collaboration, with over 500 foreign delegates from more than 50 countries convening at the Lahore Expo Centre. International Steels Limited is honored to have been a part of this prestigious event, contributing to the progression of the engineering and healthcare sectors both in Pakistan and globally.



PAKISTAN AUTO SHOW 2023 TRADE EXHIBITION DEDICATED FOR PAKISTAN'S AUTOMOTIVE INDUSTRY

International Steels Limited participated in the largest exhibition dedicated to Pakistan's automotive industry. This event brought together leading automakers, parts manufacturers, suppliers, and service providers from across the country.

The Pakistan Auto Show 2023, presented by the Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM), is the premier exhibition for the country's automotive sector. Held on October 27-28, 2023, at the Expo Centre Karachi, the event showcased cutting-edge developments and products in automotive technology, featuring contributions from over 3,000 large, medium, and small industries across Pakistan.



Shareholders

At ISL, our goal is to be a model corporate citizen by upholding and creating substantial value for our shareholders. We are dedicated to ensuring fair returns and maximizing shareholder value through diligent and strategic efforts across all our teams.

QUARTERLY AND ANNUAL REPORTS

In line with legal requirements, we prepare and distribute periodic performance reports to provide a comprehensive and transparent view of our company's performance, challenges, and future outlook. These reports are made available to shareholders electronically and can also be accessed on our website: www.isl.com.pk.

BOARD OF DIRECTORS

Elected in 2022, the Board of Directors at International Steels Limited comprises esteemed professionals from diverse backgrounds. The strategic direction provided by the Board is instrumental in guiding our management and driving value creation for our shareholders.



Society and Community

At ISL, we are committed to addressing the challenges faced by our society. As a major industrial manufacturer, we strive to contribute to human development through our operations and community engagement. Our corporate culture reflects the values of our founder, Mr. Amir S. Chinoy, who has always been a staunch supporter of local community initiatives.

CORPORATE GIVING

ISL regularly makes donations to charitable causes, either directly or through the Amir Sultan Chinoy Foundation (ASCF). Established in 1968 by Amir Sultan Chinoy under the name “The Friendship Foundation” in honor of his father, Sir Sultan Mehrally Chinoy, the foundation was renamed the Amir Sultan Chinoy Foundation in 1980. The ASCF continues to operate according to Amir Sultan Chinoy’s vision, focusing on the advancement of education, health, and social uplift.

Policy	Donation
Donation Policy	ISL donates at least 1.5% of its profit after tax, towards social uplift and community welfare activities every year.
Total Amount of Donations in FY 2023-24	Rs. 52.35 Million



EDUCATION

We believe that while healthcare is essential for life, education is the cornerstone of a prosperous future. Over the past decade, our various programs have provided over 11,000 children with enhanced educational opportunities, contributing significantly to their development and future prospects. Furthermore, ISL employees regularly volunteer for TCF's Rahbar programme - a structured initiative by TCF that mentors youth to become responsible and productive members of society. The programme emphasizes the philosophy of 'thought to destiny,' inspiring young minds to view themselves as creators of their destinies rather than victims of their circumstances.



THALASSEMIA AWARENESS AND BLOOD DRIVE

Our commitment to corporate social responsibility was prominently displayed during a recent blood donation camp held in collaboration with the Afzaal Memorial Thalassemia Foundation. ISL team members gathered at our manufacturing facility to contribute to this important cause. Thalassemia, a genetic blood disorder, requires regular blood transfusions for management, making the support of blood donors crucial.

By participating in this event, ISL and its employees helped ensure that individuals with this condition have access to life-saving blood transfusions, reinforcing our dedication to enriching the community and fulfilling our CSR objectives.



EMERGE - PAKISTAN'S FIRST TVET INCUBATION CENTER

The launch ceremony of EMERGE, Pakistan's first Technical and Vocational Education and Training (TVET) Incubation Centre, marked a significant milestone in collaboration between The Hunar Foundation (THF) and Amir Sultan Chinoy Foundation (ASCF). EMERGE aims to integrate entrepreneurial learning and industry practices into the curriculum. EMERGE, established with a donation from the Amir S. Chinoy Foundation, is poised to accelerate entrepreneurial learning through faculty and mentor support. Eligible contestants, comprising current THF students, will undergo proposal review based on criteria such as relevance, marketability, and social and environmental awareness. Through this collaborative effort, EMERGE seeks to strengthen empowerment opportunities for sustained impact.



Awards and Accolades



MAP's 38th Corporate Excellence Award (Engineering Category)



11th FPCCI Achievement Award for the year 2022



FPCCI 46th Best Export Performance Award for FY 2021-22





**Diamond Recognition Award
10th Employer of the Year**



NFEH'S 16th Annual CSR Summit & Awards. 3 awards received for the fourth consecutive year; Community Development and Services, Education and Scholarship, and Public Health & Safety Program



KCCI Best Export Performance Award for FY 2019-20 and FY 2020-21



1st Prize in the Engineering, Automobile Manufacturing & Spare Parts/Components Sector at the prestigious EFP 17th Occupational Safety, Health, and Environment Awards

Environmental Responsibility

At ISL, we are acutely aware of the potential impact our business activities can have on the environment. We recognize that access to water and essential resources is a fundamental human right, and we are committed to taking meaningful measures to minimize our environmental footprint. As Pakistan faces critical challenges related to energy and clean water scarcity, we understand that our most direct and significant contributions stem from our efforts to enhance environmental efficiencies.



While our primary raw materials—steel and zinc—may not directly harm the environment, we are steadfast in our commitment to minimizing any environmental impact resulting from our operations. We ensure that the technologies and equipment we employ are environmentally safe and fully compliant with both international and national standards.

Environmental considerations are integrated into all aspects of our business, from project costing to procurement processes. Furthermore, every future investment is preceded by a thorough environmental impact assessment to ensure sustainability is at the forefront of our decision-making.

Guided by our "Clean, Lean, and Green" approach, ISL is dedicated to continuously adopting environmentally friendly practices throughout our manufacturing processes. By embracing sustainable technologies, we strive to minimize our environmental impact through effective resource utilization, waste reduction, and the recycling of materials whenever possible.

CLEAN WATER AND SANITATION

At ISL, we are deeply committed to minimizing our environmental impact while ensuring access to clean water and sanitation. We recognize that water and essential resources are fundamental human rights, and we take our responsibility seriously.

To support these principles, ISL has implemented several key initiatives.

Effluent Treatment Plant

To protect the environment, ISL has installed an advanced effluent treatment plant with a capacity of 600 m³/day. This facility efficiently collects, neutralizes, and filters solvent-based waste generated during our manufacturing processes. The treated water is then discharged in full compliance with the National Environmental Quality Standards.

Sewage Treatment Plant

In addition, ISL has established a sewage treatment plant with a capacity of 90 m³/day. This facility treats all sewage produced by our operations, with the treated water being reused for toilet flushing, landscape irrigation, and groundwater recharge. These efforts are part of our broader commitment to promoting sustainable water management.



Reverse Osmosis (RO) Systems:

ISL's RO plants, with a combined capacity of 54 m³/day, are designed to effectively remove pollutants from well water, ensuring that the purified water is fully reusable within our facility. This significantly reduces our reliance on the city's main water supply system. To further enhance water conservation, the rejected water generated during the RO process is collected separately and treated by an additional RO plant with a capacity of 16 m³/day. This process ensures that even the rejected water is purified and made reusable, reinforcing our commitment to sustainable water management.



Acid Regeneration Plant (ARP)

ISL's Acid Regeneration Plant (ARP) is a key initiative in addressing the environmental impact of the pickling process. This facility is designed to recycle and recondition hydrochloric acid (HCl) used for removing surface impurities from hot-rolled steel coils. By efficiently reusing 98% of the acid, we significantly reduce the need for direct disposal of spent acid, thereby contributing to resource conservation. At ISL, we are committed to continually improving our environmental practices, with a strong focus on clean water and sanitation. Our dedication to sustainable water management and minimizing environmental impact is reflected in our responsible operational practices.

AFFORDABLE AND CLEAN ENERGY

At ISL, we are dedicated to advancing affordable and clean energy solutions. Our commitment to energy efficiency and sustainability is reflected in our proactive approach to recovering and utilizing waste heat generated from our operations.

Heat Absorption Chiller

We utilize a heat absorption chiller system that captures waste heat to produce chilled water for air-conditioning. This innovative approach reduces the energy required for cooling, making our operations more efficient and environmentally friendly.

Steam Boiler and Turbine

To further optimize the use of waste heat, we employ a steam boiler that converts heat from exhaust gases into steam. This steam is then utilized in various processes within our facility.

Additionally, we have implemented a 1.2 MW steam turbine that harnesses the steam's power to generate electricity, further enhancing our energy efficiency.

6.4 MW Solar Power - Renewable Energy Project

At ISL, we pledge to continue innovating for a greener tomorrow. Our 6.4 MW solar power project at our Karachi factory is a testament to our commitment to environmental responsibility and sustainable manufacturing. This initiative—part of our Clean, Lean, and Green approach—aims to reduce our carbon footprint and cut energy costs.

By effectively harnessing and repurposing waste heat and investing in solar energy, we not only reduce our dependence on external energy sources but also contribute to the generation of clean energy. This commitment supports our sustainability goals and aligns with our vision of a more energy-efficient future.



RESPONSIBLE CONSUMPTION AND PRODUCTION

At ISL, we are committed to maximizing shareholder value while upholding the highest standards of transparency and corporate governance. We strive to maintain a high level of openness and integrity in all our operations.

Price Transparency

Our organization supports price transparency by offering a single, comprehensive country price list that is shared with all our customers. This approach ensures clarity and fairness in our pricing practices.

Workplace Safety

ISL is dedicated to providing a safe and injury-free workplace for both employees and visitors. We engage various consultants to assess the safety of our facilities and foster a culture of safety within our teams. Our HSE (Health, Safety, and Environment) department actively promotes awareness and the implementation of safe work practices.

To instill a safety culture, we conduct regular safety awareness training sessions for our employees, creating a safety mindset at the grassroots level. Our HSE program enhances the sense of responsibility for maintaining a safe workplace with minimal or no hazards. Additionally, our sales and marketing collaterals provide detailed guidelines on the safe handling of products, thereby reducing the risk of transit-related injuries.



Certifications

ISL is certified by Lloyd's Register Quality Assurance Limited (LRQA) for:

ISO 9001:2015 – Quality Management System

ISO 14001:2015 – Environmental Management System

ISO 45001:2018 – Occupational Health and Safety

We also hold certifications for CE, RoHS, and REACH. These certifications reflect our commitment to delivering high-quality products that meet stringent EU standards.

RoHS Compliance

We adhere to the Restriction of Hazardous Substances (RoHS) Directive, which limits the use of certain hazardous substances in electrical and electronic equipment. This compliance ensures our products are free from harmful substances, protecting human health and the environment.

REACH Compliance:

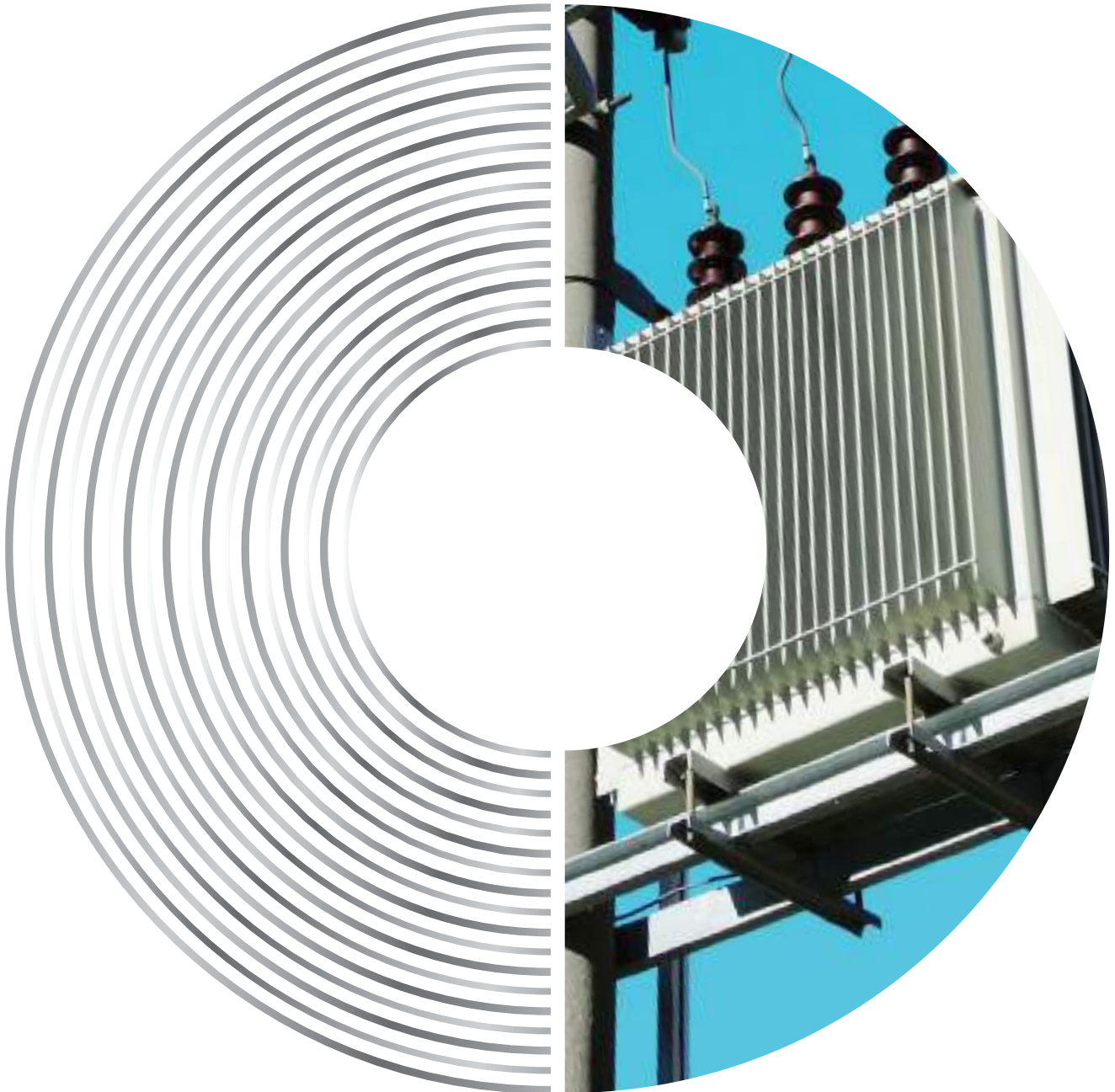
We are certified for compliance with the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation. REACH, managed by the European Chemicals Agency (ECHA), ensures the safe use and management of chemicals in the European Union. Our certification demonstrates our dedication to responsible chemical management and regulatory adherence. With these certifications, ISL reaffirms its commitment to delivering products that adhere to international standards for safety, environmental sustainability, and chemical management.

We continuously strive to provide our customers with reliable and compliant solutions while minimizing our environmental impact and promoting sustainable practices.



Corporate Governance

Made of Efficiency



ISL's self-reliance in the flat steel industry is fueled by its core values, regulatory framework, and global best practices.

Board of Directors' Profile

MR. KAMAL A. CHINYOY

Non-Executive Director

Since: September 3, 2007

Mr. Kamal A. Chinoy is a graduate of Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Currently he is Chairman of International Industries Limited, International Steels Limited, IIL Americas Inc., IIL Construction Solutions (Pvt) Ltd., and Chinoy Engineering & Construction (Pvt) Ltd., a Director of Pakistan Cables Ltd., Pakistan Business Council and IIL Australia Pty Ltd. He has served as Chairman of the Aga Khan Foundation (Pakistan) and Jubilee Life Insurance Co, and also as a Director of Pakistan Centre of Philanthropy, Atlas Insurance Limited, Pakistan Security Printing Corporation, NBP Fullerton Asset Management Limited, Atlas Battery Ltd, ICI Pakistan Limited, Askari Bank Limited, First International Investment Bank, and Atlas Power Limited.

He also served as CEO of Pakistan Cables Ltd for 27 years. He was an instrumental part of the team that negotiated the exit of BICC from the ownership of the Company in the early 1990's. Then in 2010 he lead the effort to attract General Cable, a Fortune 500 company, as an equity investor in PCL.

Mr. Kamal A. Chinoy is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP). He has also served on the Admissions Committee of Aga Khan University and the Alumni Admissions Committee for the University of Pennsylvania. He has also been a member of the Board of Governors of Army Burn Hall Institutions.

He has been a member of the Pakistan-UK Forum for Investment and Technology (under the Board of Investment, GoP) and the Experts Advisory Group for Engineering Goods for the Fifth Five Year Plan for the Government of Pakistan.

MR. YOUSUF H. MIRZA

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, Employers Federation of Pakistan, Pakistan Japan Business Forum and Engineering Development Board, Ministry of Industries, Government of Pakistan.

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 (nineteen years ago), Dr. Amjad Waheed is the Chief Executive of NBP Fund Management Limited ('NBP Funds'), which is a subsidiary of National Bank of Pakistan and Baltoro Growth Fund as the other joint venture partner. NBP Funds is presently managing Rs.385 billion (as of July 03, 2024) of investors' money. NBP Funds is one of the largest and highest rated Asset Management Company in Pakistan.

Before joining NBP Funds, Dr. Amjad Waheed was Head of Equity Mutual Funds & 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 & 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, Institute of Financial Markets of Pakistan (IFMP), Mehran Sugar, Gul Ahmed, Management Association of Pakistan (MAP), BankIslami, LRBT, Telenor Microfinance Bank, and International Steels. He has also served as the Chairman of Mutual Fund Association of Pakistan (MUFAP).

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. 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). Currently he is also serving as the Chairman of MCB Investment Management Ltd., one of Pakistan's leading asset management companies.

MR. MUSTAPHA A. CHINYOY

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 Pakistan Cables Ltd., Travel Solutions (Pvt) Ltd., Global E-Commerce Services (Pvt.) Ltd., Global Reservation (Pvt.) Ltd., Binary Vibes (Pvt) Ltd and Director of Chinoy Engineering & Construction (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 Affairs.

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 Gray's 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, and recently completed a certificate in Negotiation and Conflict Resolution from Harvard Law School.

With her strong interest in Corporate Governance and Training, Nausheen has been undertaking Directors Certification trainings with the Institute of Business Administration (IBA) and also teaches the Corporate Law diploma.

MR. NIHAL CASSIM

Independent Director

Since: September 25, 2019

Nihal is an MBA (Finance & MIS) from McGill University. He takes particular interest in facilitating the development of the capital market, governance of public companies and building shareholder value.

He is currently a Director on the Boards of Pakistan Stock Exchange Limited, International Steels Limited, Crescent Steel & Allied Products Limited, The Organic Meat Company Limited, National Clearing Company Limited, NIFT and Ubiquity Trading Limited. He has also served on the Boards of Pakistan Oilfields Limited (for 9 years) and Ferozsons Laboratories Limited (for 15 years). Nihal has served two terms as a director on the Board of the Mutual Funds Association of Pakistan (MUFAP).

Nihal's focus has expanded to philanthropic activities as a donor and as a member/trustee of The Citizens Foundation, the Patient Aid Foundation and The Jinnah Foundation.

MR. SAMIR M. CHINYOY

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 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. NORIHIRO MIZOTA

Non-Executive Director

Since: April 08, 2024

Mr. Norihiro Mizota is presently the General Manager, Steel Sheet Asia Department, Sumitomo Corporation Global Metals, Japan. He has completed his education from Kobe University and has 26 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.



List of Other Directorships

Name	Other Business occupation and directorship (if any)
MR. KAMAL A. CHINOY	IIL Americas Inc. IIL Australia Pty Ltd. IIL Constructions Solutions (Pvt) Ltd. International Industries Limited Pakistan Business Council Pakistan Cables Ltd. Chinoy Engineering & Construction (Private) Limited.
DR. AMJAD WAHEED	NBP Fund Management Ltd. Telenor Microfinance Bank The Layton Rahmatulla Benevolent Trust (LRBT)
MR. HAROUN RASHID	MCB Investment Management 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 Trav-Tech Solutions TSL (Pvt) Ltd. Intermark (Pvt) Ltd. Chinoy Engineering & Construction (Private) Limited.
MS. NAUSHEEN AHMAD	Engro Powergen Qadirpur Ltd Jubilee General Insurance Company Ltd. Meezan Bank Ltd. Descon Engineering Limited 1 Link (Pvt.) Limited Crescent Steel and Allied Products Limited
MR. NIHAL CASSIM	National Institutional Facilitation Technologies (Pvt) Ltd. The Organic Meat Company Ltd. Ubiquity Trading Ltd. Jinnah Foundation Crescent Steel & Allied Products Limited National Clearing Company of Pakistan Limited Pakistan Stock Exchange Limited
MR. SAMIR M. CHINOY	Amir Sultan Chinoy Foundation Haball (Pvt) Ltd. IIL Australia Pty Ltd. Intermark (Pvt) Ltd Landhi Association of Trade & Industries Pakgen Power Limited Beaumont Plaza Owners/Occupants Welfare Association
MR. NORIHIRO MIZOTA	-
MR. YOUSUF H. MIRZA	Employers Federation of Pakistan German Pakistan Chamber of Commerce and Industry IIL Americas Inc. Engineering Development Board, Ministry of Industries, Govt. of Pakistan Pakistan Japan Business Forum

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 attain a fair value for the shareholders.

COMPLIANCE STATEMENT

The Board of Directors has, throughout the year 2023-24, 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 the following has been complied with:

- a) 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 the 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 the 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 about 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 Mr. Kamal A. Chinoy, a non-executive Chairman and out of the 8 elected Directors, 3 are Independent Directors including 1 female Director. The current Board composition reflects a good mix of experience and diversity in backgrounds, skills and qualifications. All Directors have years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present six (6) 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 15th Annual General Meeting in September 2022.

A digital interface is being used to update the Board of Directors by providing the Companies Act, 2017, Companies (Code of Corporate Governance) Regulations, 2019, relevant portions of the 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 2023-24, the Board had six (6) meetings, out of which four (4) were held to review and approve the financial results including second quarter board meeting for approval of interim cash dividend, one (1) meeting was held to approve the budget for the ensuing year and one (1) meeting was held approved a Memorandum of Understanding (MOU) to form an entity to potentially explore opportunities in collaboration with the group. The average attendance of the Directors in Board meetings during the year was 98%.

CHANGES IN THE BOARD

At the 15th Annual General Meeting of the Company on September 29, 2022, eight (8) Directors were elected for a term of three (3) years. During the year 2023-24, a casual vacancy arose due to the resignation of non-executive Director Mr. Shuji Tsubota, effective March 31, 2024 and Mr. Norihiro Mizota was appointed to fill the vacancy on April 08, 2024, for the remainder of the term.

BOARD MEETINGS OUTSIDE PAKISTAN

During the year 2023-24, no Board meetings were held outside Pakistan.

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 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 & 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 the 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 meetings of the Board as required by the Code of Corporate Governance, except for the period when the Company Secretary position was vacant.

All periodic financial statements and other working papers for the consideration of the Board/Committees are circulated to the Directors well in advance of meetings to allow them sufficient time to make informed decisions. This year, the Board held six (6) meetings, the agendas of which were duly circulated through the Diligent Board application at least one week in advance of the meetings, except for one emergent meeting that was held during the year for which the notice period was waived by the Board.



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-three (53) days from the close of the financial year. Additionally, all important disclosures, including the financial statement, were also made available 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 a 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 areas of critical importance and should include, but not 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.
4. 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 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 critical to any business, which includes identification and assessment of various risks and their mitigation to control and minimize the impact of such risks and maximize the realization of opportunities. The management has developed a dynamic risk register covering financial and operational risks and their mitigation plans which are subject to periodical review. A dedicated Board Audit Committee meeting was held during the year for a detailed discussion on business, financial and operational risks.

INTERNAL CONTROL FRAMEWORK

The Company maintains an established control framework comprising clear structures, authority limits, accountabilities, well understood policies and procedures. 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 reviews the audit reports from the Internal and External Auditors, and after detailed deliberations, these 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 continually focuses on the implementation of efficient management practices.

The Head of Internal Audit is being assisted by in-house executives. The Management has placed an explicit internal control framework with clear structures, authority limits, 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. 36.

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 refrain from dealing in shares during the closed 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 published financial statement of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has implemented comprehensive policies on “Occupational health, Safety & Environment” and “Corporate Social Responsibility and Sustainable Development” to meet its Corporate Social Responsibilities. 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

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 endeavored 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 deserving patients for their treatment.

SUSTAINABILITY MEASURES

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

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

ENGAGING STAKEHOLDERS & TRANSPARENCY

The development of stakeholders’ relationships is of significant importance for the company. Building “stakeholder’s engagement” and 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 through 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 10, 2023 at 11.00 a.m. at the auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and through video conferencing to brief the investors/analysts/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 regard to investor grievances:

1. Investors are always treated fairly.
2. 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 interests 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 a regular basis.

SAFETY OF COMPANY RECORDS

The company has a firm “Document & 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 & 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 in a neutral, secured, and well-known vault.
- Record keeping of accounting books is at a separate secured 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 policies focus on training, motivating, and retaining valuable human assets for the future growth of the company. To maintain the continuity of business operations, particularly at senior management and key managerial levels, a well-defined succession planning framework is in place.

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 Information Technology Steering Committee comprises of CEO, COO, CFO, Director Manufacturing, Director Sales & Marketing, Director HR & Admin and the Chief Information Officer is responsible for taking major I.T. decisions. The CIO is responsible for ensuring the communication of I.T. security policies to all users

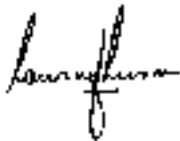
of the company. Further, Internal Audit is responsible for monitoring compliance of I.T. policies. The Policy on Information Technology is focused upon information security, access control, information system acquisition development and maintenance, business continuity management, incident management, 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. The Company also has a Whistleblowing Policy in place which provides an additional avenue to employees to report any corrupt or unethical behavior.

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.



Yousuf H. Mirza
Chief Executive Officer



Kamal A. Chinoy
Chairman

ISSUES RAISED AT LAST AGM

In the 16th Annual General Meeting of the Company held on September 26, 2023, general clarifications were sought by shareholders on the company's published financial statements and no significant issues were raised.

DIVIDEND TO SHAREHOLDERS

During the year, the Company paid an interim dividend of 25% per share to all eligible shareholders and the Board of Directors has recommended a final dividend of 30% per share, making a total of 55% in respect of the financial year ended June 30, 2024 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, 2024 is placed on Page no.184.

Karachi: August 20, 2024

IT Governance and Cybersecurity

DESIGN ARCHITECTURE FOR MANAGEMENT SYSTEMS INTEGRATION

ISL utilizes a robust, industry-standard ERP application to seamlessly manage and integrate core business functions, including finance, sales, production, supply chain, and inventory management, into a unified system. The ERP application is designed with a unified data model that ensures data consistency and accuracy across interconnected modules, facilitating smooth data flow and comprehensive reporting. Automated features for routine tasks such as invoice processing, sales order processing and sales invoicing help reduce manual effort and minimize errors, thereby enhancing operational efficiency and compliance.

ERP PROJECTS RISK MANAGEMENT

ISL addresses ERP project risks through planning, governance, and change management. Risks are identified early, and clear project objectives are set with stakeholder engagement. Technical safeguards, including data security measures and extensive system testing, are in place to protect and validate the ERP system. Continuous monitoring, regular audits, and user feedback contribute to proactive risk management. Contingency plans, including backup and recovery strategies, further ensure the success and ongoing efficiency of our ERP system.

EXPERT SUPPORT FOR ADVANCEMENTS & UPDATES

ISL's management demonstrates unwavering support for the effective implementation and continuous updating of our ERP system. This includes allocating necessary resources, providing ongoing training, and promoting a culture of continuous improvement. The management ensures that the ERP system aligns with our strategic objectives and business processes through regular reviews and updates, keeping the system current with the latest industry standards and technological advancements. This commitment enhances operational efficiency and supports overall business growth.

REGULAR SYSTEM SECURITY ASSESSMENTS

ISL enforces system security and access control through regular security audits and role-based access controls. Users have access only to the data necessary for their roles, and periodic reviews of access permissions help maintain segregation of duties. Automated controls in the ERP system enforce these practices, safeguarding sensitive data and ensuring operational integrity.

ERP SOFTWARE USER TRAININGS

ISL emphasizes thorough user training to maximize the effective use of the ERP software. New users receive role-specific training, hands-on workshops, and an introduction to the system's features. Ongoing learning includes regular refresher courses, training sessions, and access to online resources. We provide support through a dedicated help desk, user manuals, and community forums. Management supports the training process by allocating necessary resources and fostering an environment of continuous feedback and improvement.



ISL's LEGAL EVALUATION STATEMENT

ISL's management evaluates and enforces the legal and regulatory implications of cyber risks, ensuring compliance with cybersecurity laws and regulations. This involves developing policies, assessing regulatory impacts, and coordinating breach responses.

IT & CYBERSECURITY STRATEGY DISCLOSURE

The company has implemented a comprehensive IT governance and cybersecurity framework, incorporating well-defined programs, policies, and procedures to safeguard information assets and ensure compliance with industry-specific requirements. Our cybersecurity program includes risk management, access controls, incident response, and continuous monitoring to protect against threats, adhering to industry standards. We regularly update our policies to address evolving threats and regulatory changes, maintaining a robust strategy to manage current and emerging risks.

The CIO oversees the establishment and communication of incident management procedures, while the Information Technology/ Information Security team maintains a central log of cybersecurity incidents, develops detection procedures. Clear reporting standards are in place to monitor compliance and effectively address incidents.

CYBERSECURITY RISK DISCLOSURE

Cybersecurity is central to the company's risk oversight function, with management actively involved in shaping and monitoring the cybersecurity strategy. Management receives regular updates on cybersecurity risks, including threat assessments, incident reports, and mitigation efforts. Through structured meetings and discussions with the CIO and other key executives, management ensures that cybersecurity risks are effectively addressed and aligned with the company's risk management objectives.

ISL management integrates cybersecurity into its oversight through a structured four-phase framework. This includes defining the governance system through optimizing performance and managing IT resources, addressing stakeholder reporting requirements and communication strategies, and obtaining leadership approval for the governance plan. Throughout these phases, management ensures alignment with strategic objectives, compliance, and effective risk management, with clear reporting standards established to track progress and address issues efficiently.

CYBERSECURITY RISK ASSESSMENT DISCLOSURE

The company has established a Management Committee and an IT Steering Committee to oversee IT governance and cybersecurity matters. The Management Committee is responsible for guiding the company's IT risk management strategies, including cybersecurity policies and incident response plans. It ensures that IT risks are managed effectively through regular reviews of risk assessments, monitoring of security measures, and evaluation of IT controls.

The IT Steering Committee supports this effort by overseeing major IT projects and technology decisions, ensuring alignment with business objectives, and assisting the Management Committee in monitoring and managing cybersecurity risks. This committee also provides advice to senior IT management and ensures that reporting standards effectively track and communicate IT risk management, aligning efforts with the company's strategic goals.

EARLY WARNING SYSTEM DISCLOSURE

The company adheres to a policy of conducting independent, comprehensive security assessments of its technology environment, including third-party risks, on a regular basis. This approach ensures that vulnerabilities are identified and addressed proactively. Assessment involves thorough evaluations of both internal systems and third-party integrations. Assessment results inform our security strategy and drive ongoing improvements to safeguard our technology infrastructure.

Additionally, ISL has established an "early warning system" to manage cybersecurity risks and incidents effectively. The Head of IT ensures that incident management responsibilities are clearly defined and communicated. The Information Technology team maintains a central log of incidents, develops procedures for timely detection, and serves as the main contact for reporting issues. This team also liaises with relevant authorities and forums. Documented incident management objectives ensure comprehensive handling and timely disclosure of risks to management, supported by reporting standards that provide timely updates and accurate information about cybersecurity incidents.

INDEPENDENT SECURITY ASSESSMENTS DISCLOSURE

ISL has a policy for conducting independent, comprehensive security assessments of our technology environment, including third-party risks. We maintain a risk register to monitor and report high-risk activities, updating it annually or as needed. This includes developing IT risk reporting methodologies and considering risk events, regulatory requirements, and audit observations. We evaluate risk processes through testing and reviews, and provide reports to key internal stakeholders detailing major cybersecurity risks, threats, incidents, and the status of our information security program.

RISK MITIGATION TRAINING & EDUCATION DISCLOSURE

ISL offers comprehensive education and training to mitigate cybersecurity risks, including regular sessions, trainings, and updates on best practices. New employees receive initial training, with ongoing education reinforced through updates and refresher trainings.

DISASTER RECOVERY PLAN DISCLOSURE

ISL has established a robust contingency and disaster recovery plan to address potential IT failures or cyber breaches effectively. Our company's Disaster and Recovery Plan outlines detailed processes for recovering, backing up, retrieving, and protecting critical data and systems in the event of an IT failure or cyber breach. The plan includes designated points of contact for disaster and crisis management to ensure effective coordination and response. Reporting standards ensure that all recovery activities and Service Level Agreements are documented and communicated to relevant stakeholders.



ADVANCED DIGITAL TRANSFORMATION DISCLOSURE

ISL's focus on digital transformation by adopting key technologies such as process automation and cloud computing. These innovations have improved transparency, reporting, and governance. Key trends shaping our approach include the move to cloud computing, integration, advanced security measures, and analytics. These advancements boost operational efficiency, enhance security, and support data-driven decision-making. Reporting standards help us communicate the impact of these technologies to stakeholders.

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 Resource & Remuneration Committee (HR&RC):

A. BOARD AUDIT COMMITTEE

The Board Audit Committee comprises of the following:

Mr. Nihal Cassim

Chairman
Independent Director

Mr. Haroun Rashid

Member
Non-Executive Director

Dr. Amjad Waheed

Member
Independent Director

Mr. Mustapha A. Chinoy

Member
Non-Executive Director

Syed Zaib Zaman Shah

Secretary
Chief Internal Auditor

The BAC comprises of four (4) Directors including two (2) Independent Directors. 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 BAC also separately meets the Internal Audit team and external auditors at least once a year without the presence of the Management. Meetings of the BAC are held at least once every quarter. During the year 2023-24, the BAC held five (5) meetings. The BAC held four meetings to review and approve the quarterly, half yearly and annual financial statements. There was one meeting held in May 2024 specifically to review in detail the Risks associated with the business and the mitigating steps that the Management has taken to address them. The Chief Internal Auditor is the Secretary of the BAC. The

minutes of the meetings of the BAC were circulated to all Directors, and the Chief Financial Officer.

The Chief Internal Auditor meets the BAC 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 risks identified are then referred to the respective departments and corrective actions are then implemented.

Terms Of Reference Of The Board Audit Committee

The BAC 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 BAC are as follows:

1. Recommending to the Board the appointment of external auditors.
2. 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.
3. Determination of appropriate measures to safeguard the Company's assets.
4. Review the Enterprise Risk Management system and assess the adequacy and monitoring by the Management.
5. Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board, focusing on major judgement areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, and compliance with applicable accounting standards, listing regulations and other statutory requirements.
6. Facilitating the external audit and discussion with external auditors on major observations arising from audit and any matter the

auditors may wish to highlight (in the absence of the Management, where necessary).

7. Review of the Management Letter issued by external auditors and the Management's response thereto.
8. Review of the scope and extent of Internal Audit and ensuring that the Internal Audit function is adequately resourced and placed within the organization.
9. Consideration of major findings of internal investigations and the Management's response thereto.
10. Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
11. Review of Company's statement on internal control systems prior to endorsement by the Board.
12. Monitoring compliance with statutory requirements

B. HUMAN RESOURCES & REMUNERATION COMMITTEE

The Board Human Resources & Remuneration Committee comprises of the following:

Ms. Nausheen Ahmad Chairperson Independent Director
Mr. Kamal A. Chinoy Member Non-Executive Director
Mr. Mustapha A. Chinoy Member Non-Executive Director
Dr. Amjad Waheed Member Independent Director
Mr. Yousuf H. Mirza Ex-Officio-Member Chief Executive Officer
Mr. Muhammad Bilal Secretary Director Human Resources

The Committee comprises five (5) members. The Chairperson is an independent director. Meetings are conducted at least quarterly or at such other

frequency as the Chairperson may determine. Director Human Resources is the Secretary of the Committee. The minutes of the HR&RC meetings are provided to all members and Directors. The Committee held five (5) meetings during the year.

Terms of Reference of Human Resources and 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.
4. Succession planning for key executives, including the CEO.
5. Recommend to the Board, the selection, remuneration, development and evaluation of the CEO, CFO, Chief Internal Auditor, and the Company Secretary.
6. Consider and approve, on recommendations of the CEO, the evaluation, development and compensation of key management positions who report directly to the CEO.
7. 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.
8. Compensation of the non-executive directors.
9. Board Remuneration Policy & Procedure.
10. 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	Board Audit Committee Meetings	Human Resource & Remuneration Committee
Meetings held during 2023-2024	6	5	5
Mr. Kamal A. Chinoy	6/6	-	4/5
Dr. Amjad Waheed	6/6	5/5	5/5
Mr. Haroun Rashid	6/6	4/5	-
Mr. Mustapha A. Chinoy	6/6	3/5	5/5
Ms. Nausheen Ahmad	6/6	-	5/5
Mr. Nihal Cassim	6/6	5/5	-
Mr. Norihiro Mizota*	2/3	-	-
Mr. Samir M. Chinoy	6/6	-	-
Mr. Shuji Tsubota*	3/3	-	-
Mr. Yousuf H. Mirza	6/6	-	5/5

*Mr. Shuji Tsubota ceased to be Director and Mr. Norihiro Mizota was appointed in his place for the remainder term.

Management Team

Good corporate governance is the basis of our decision making & 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 committee members are:

<p>Mr. Yousuf H. Mirza Chief Executive Officer</p>	<p>Mr. Muhammad Bilal Director Human Resources</p>	<p>Mr. Mustafa Khan Director Sales & Marketing</p>	<p>Mr. Zohaib Raza Merchant Company Secretary & Head of Legal Affairs</p>
<p>Mr. Samir M. Chinoy Chief Operating Officer</p>	<p>Mr. Zafar Majeed Director Manufacturing</p>	<p>Mr. Yasir Sohail General Manager Production</p>	
<p>Mr. Mujtaba Hussain Chief Financial Officer</p>	<p>Mr. Ibrahim Memon Chief Information Officer</p>	<p>Mr. M. Faheem General Manager Service Center</p>	

Report Of the Board Audit Committee on Adherence to the Code of 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, 2024 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 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 by the auditors of the Company.
3. Appropriate accounting policies have been consistently applied. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the year ended June 30, 2024, 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 along with 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, establishment and maintenance of internal controls system 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. Following trading in Company's shares was carried out by Directors and Executives or their spouses during the year.

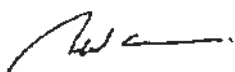
Name of the person	Designation	Date of Transaction	Nature	No. of Shares	Rate
Mr. Haroun Rashid	Non-Executive Director	November 02, 2023	Sell	125,000	60.02
Mr. Asif Moten	Executive	December 12, 2023	Sell	15,000	70.05

INTERNAL AUDIT FUNCTION

1. 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.
2. 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 reliability of 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 year ended June 30, 2024 and shall retire on the conclusion of the 17th Annual General Meeting.
2. The 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 & 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 & the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board Audit Committee recommends their reappointment for the year ending June 30, 2025 on terms and conditions to be negotiated by the Chief Executive Officer.



Nihal Cassim

Chairman- Board Audit Committee

Karachi

August 15, 2024



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, 2024 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, 2024.

Chartered Accountants
Karachi

Dated: August 29, 2024

UDIN: CR202410073Ute8j5KAS

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019

INTERNATIONAL STEELS LIMITED FOR THE YEAR ENDED JUNE 30, 2024

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

The total number of directors are nine (9) as per the following:

Male	Eight (8)
Female	One (1)

The composition of Board is as follow:

Independent Directors Dr. Amjad Waheed Mr. Nihal Cassim
Non-Executive Directors Mr. Kamal A. Chinoy Mr. Mustapha A. Chinoy Mr. Haroun Rashid Mr. Norihiro Mizota
Executive Directors Mr. Yousuf H. Mirza* Mr. Samir M. Chinoy
Female Director (Independent Director) Ms. Nausheen Ahmad

*Mr. Yousuf H. Mirza, the Chief Executive Officer of the Company, is a deemed director as defined in Section 188(3) of the Companies Act, 2017

- The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this company;
- 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;
- 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;
- 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;
- 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;
- The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
- The directors were apprised of their duties and responsibilities from time to time. The directors either have already attended directors' training as required in previous years or are exempted from the requirements of the Directors' Training Program. In case of one foreign director, the Company is in the process of obtaining confirmation from Securities and Exchange Commission of Pakistan regarding the equivalency of his training from institution outside Pakistan;
- 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;
- The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- The Board has formed the following committees comprising of the following members:

Board Audit Committee

Mr. Nihal Cassim	Chairman	Independent Director
Mr. Mustapha A. Chinoy	Member	Non-Executive Director
Mr. Haroun Rashid	Member	Non-Executive Director
Dr. Amjad Waheed	Member	Independent Director

Human Resource & Remuneration Committee

Ms. Nausheen Ahmad	Chairperson	Independent Director
Mr. Kamal A. Chinoy	Member	Non-Executive Director
Dr. Amjad Waheed	Member	Independent Director
Mr. Mustapha A. Chinoy	Member	Non-Executive Director
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:

Board Audit Committee

At least quarterly

HR and 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;

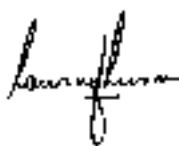
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

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 & extra-ordinary unless precluded from doing so due to any reasonable cause.	Eight (8) directors of the Board attended the 16th Annual General Meeting. Mr. Shuji Tsubota was granted leave of absence.	10
2	The chief financial officer and company secretary or in their absence, the nominee appointed by the Board, shall attend all meetings of the Board	The Chief Financial Officer and the Company Secretary attended meetings of the Board as required by the Code of Corporate Governance, except for the period when the Company Secretary position was vacant.	13
3	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
4	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 related matters of the Company. One dedicated meeting was held in May 2024 to review risks.	30
5	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	As per the regulations, the Company has disclosed key elements of its significant policies and intends to add the gist of its policy on DE&I & protection against harassment at the workplace.	35(1)
6	Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)

On behalf of the Board



Yousuf H. Mirza
Chief Executive Officer
International Steels Limited



Kamal A. Chinoy
Chairman
International Steels Limited

Karachi: August 20, 2024



Financial Highlights

Made of Innovation



ISL's strong financial progress and fiscal direction reflect unparalleled growth in the cold-steel industry.

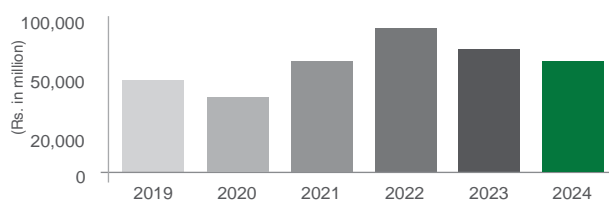
FINANCIAL HIGHLIGHTS

Sales	69,299,633	76,753,334	9.7	-
Gross profit	8,573,192	10,607,676	19.2	-
Operating profit	5,554,433	7,455,578	25.5	-
Profit before tax	4,698,345	5,191,411	9.5	-
Profit after tax	3,654,814	3,518,790	3.9	+
Earning per share - Basic Diluted (Rupees)	8.40	8.09	3.9	+
Shareholders equity	23,197,430	21,683,880	7.0	+
Property, Plant & Equipment	20,016,449	20,304,569	1.4	-
Book Value per share (Rupees)	53.33	49.85	7.0	+

	2024	2023	%	
	(Rs. in '000)			
Sales	69,299,633	76,753,334	9.7	-
Gross profit	8,573,192	10,607,676	19.2	-
Operating profit	5,554,433	7,455,578	25.5	-
Profit before tax	4,698,345	5,191,411	9.5	-
Profit after tax	3,654,814	3,518,790	3.9	+
Earning per share - Basic Diluted (Rupees)	8.40	8.09	3.9	+
Shareholders equity	23,197,430	21,683,880	7.0	+
Property, Plant & Equipment	20,016,449	20,304,569	1.4	-
Book Value per share (Rupees)	53.33	49.85	7.0	+

Business Growth

Sales Revenue

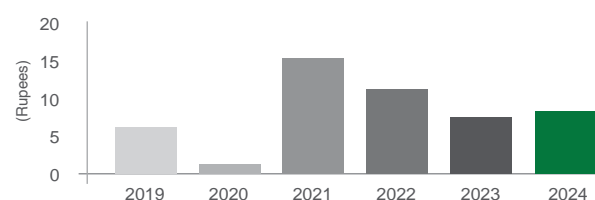


Sales revenue growth

-9.71% Over 2023 3.81% CAGR over 6 years

Shareholder Value Accretion

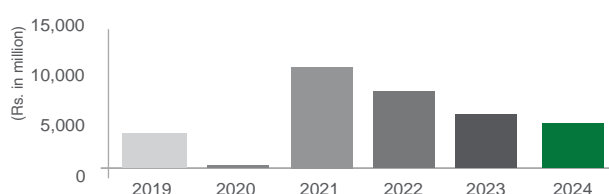
Earning per share



Earning per share growth

3.87% Over 2023 6.54% CAGR over 6 years

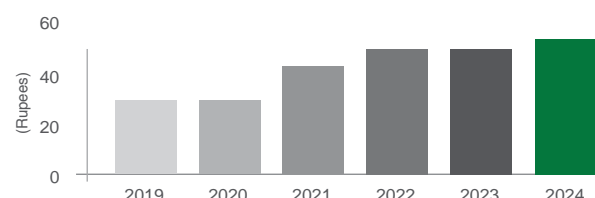
Profit Before Tax



Profit before tax

-9.50% Over 2023 5.01% CAGR over 6 years

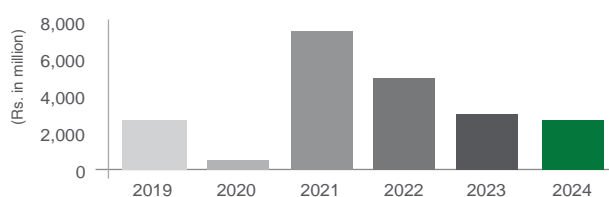
Book Value Per Share



Book Value Per Share

6.98% Over 2023 12.49% CAGR over 6 years

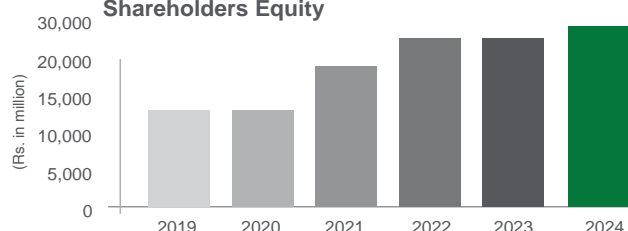
Profit After Tax



Profit after tax

3.87% Over 2023 6.53% CAGR over 6 years

Shareholders Equity



Shareholders equity growth

6.98% Over 2023 12.49% CAGR over 6 years



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

	2024	2023	2022	2021	2020	2019
	(Rs. in '000)					
Property, plant and equipment	20,016,449	20,304,569	20,749,605	19,179,617	20,638,354	19,862,302
Right-of-use assets	23,846	43,839	63,725	19,318	49,377	-
Intangible Assets	408,853	309,580	176,866	885	1,197	2,736
Other non current assets	100	100	100	100	100	100
Current assets	24,240,532	21,733,494	34,914,760	22,519,623	22,172,184	19,896,904
Total assets	44,689,780	42,391,582	55,905,056	41,719,543	42,861,212	39,762,042
Shareholders' equity	23,197,430	21,683,880	21,596,089	18,887,640	12,725,815	12,878,270
Non current liabilities	2,759,337	3,301,090	5,095,864	6,474,761	6,568,651	8,597,759
Current portion of long term financing	344,944	377,378	1,419,495	1,462,435	1,487,634	909,943
Short term borrowings	3,560,288	3,334,225	17,359,553	6,796,345	11,520,404	10,191,219
Other current liabilities	14,827,781	13,695,009	10,434,055	8,098,362	10,558,708	7,184,851
Total equity and liabilities	44,689,780	42,391,582	55,905,056	41,719,543	42,861,212	39,762,042

Vertical Analysis

	Percentage					
Property, plant and equipment	44.8	47.9	37.1	46.0	48.2	50.0
Right-of-use assets	0.1	0.1	0.1	0.0	0.1	-
Intangible Assets	0.9	0.7	0.3	0.0	0.0	0.0
Other non current assets	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	54.2	51.3	62.5	54.0	51.7	50.0
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	51.9	51.2	38.6	45.3	29.7	32.4
Non current liabilities	6.2	7.8	9.1	15.5	15.3	21.6
Current portion of long term financing	0.8	0.9	2.5	3.5	3.5	2.3
Short term borrowings	8.0	7.9	31.1	16.3	26.9	25.6
Other current liabilities	33.2	32.3	18.7	19.4	24.6	18.1
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

	Percentage					
Property, plant and equipment	(1.4)	(2.1)	8.2	(7.1)	3.9	8.8
Right-of-use assets	(45.6)	(31.2)	229.9	(60.9)	-	-
Intangible Assets	32.1	75.0	19,884.9	(26.1)	(56.3)	6.7
Other non current assets	-	-	-	-	-	-
Current assets	11.5	(37.8)	55.0	1.6	11.4	14.8
Total assets	5.4	(24.2)	34.0	(2.7)	7.8	11.7
Shareholders' equity	7.0	0.4	14.3	48.4	(1.2)	8.9
Non current liabilities	(16.4)	(35.2)	(21.3)	(1.4)	(23.6)	1.4
Current portion of long term financing	(8.6)	(73.4)	(2.9)	(1.7)	63.5	(24.3)
Short term borrowings	6.8	(80.8)	155.4	(41.0)	13.0	20.4
Other current liabilities	8.3	31.3	28.8	(23.3)	47.0	27.7
Total equity and liabilities	5.4	(24.2)	34.0	(2.7)	7.8	11.7



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Profit and Loss

	2024	2023	2022	2021	2020	2019
	(Rs. in '000)					
Sales - Net	69,299,633	76,753,334	91,423,698	69,796,240	48,081,937	57,484,354
Cost of sales	(60,726,441)	(66,145,658)	(79,042,389)	(56,304,367)	(43,869,080)	(51,035,302)
Gross profit	8,573,192	10,607,676	12,381,309	13,491,873	4,212,857	6,449,052
Administrative, Selling and Distribution expenses	(2,563,213)	(1,386,281)	(1,902,937)	(1,424,515)	(1,157,145)	(986,231)
Other operating expenses	(588,930)	(1,921,613)	(1,356,009)	(1,276,659)	(334,257)	(533,801)
Other operating income	133,384	155,796	200,971	315,833	35,523	39,413
Operating Profit before finance costs	5,554,433	7,455,578	9,323,334	11,106,532	2,756,978	4,968,433
Finance costs	(856,088)	(2,264,167)	(1,322,584)	(811,931)	(2,314,807)	(1,289,315)
Profit before taxation	4,698,345	5,191,411	8,000,750	10,294,601	442,171	3,679,118
Taxation	(1,043,531)	(1,672,621)	(2,588,560)	(2,828,270)	52,680	(1,014,745)
Profit after taxation	3,654,814	3,518,790	5,412,190	7,466,331	494,851	2,664,373

Vertical Analysis

	Percentage					
Sales - Net	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(87.6)	(86.2)	(86.5)	(80.7)	(91.2)	(88.8)
Gross profit	12.4	13.8	13.5	19.3	8.8	11.2
Administrative, Selling and Distribution expenses	(3.7)	(1.8)	(2.1)	(2.0)	(2.4)	(1.7)
Other operating expenses	(0.8)	(2.5)	(1.5)	(1.8)	(0.7)	(0.9)
Other operating income	0.2	0.2	0.2	0.5	0.1	0.1
Operating Profit before finance costs	8.0	9.7	10.2	15.9	5.7	8.6
Finance costs	(1.2)	(2.9)	(1.4)	(1.2)	(4.8)	(2.2)
Profit before taxation	6.8	6.8	8.8	14.7	0.9	6.4
Taxation	(1.5)	(2.2)	(2.8)	(4.1)	0.1	(1.8)
Profit after taxation	5.3	4.6	5.9	10.7	1.0	4.6

Horizontal Analysis

	Percentage					
Sales - Net	(9.7)	(16.0)	31.0	45.2	(16.4)	16.9
Cost of sales	(8.2)	(16.3)	40.4	28.3	(14.0)	22.9
Gross profit	(19.2)	(14.3)	(8.2)	220.3	(34.7)	(15.5)
Administrative, Selling and Distribution expenses	84.9	(27.2)	33.6	23.1	17.3	37.0
Other operating expenses	(69.4)	41.7	6.2	281.9	(37.4)	(19.3)
Other operating income	(14.4)	(22.5)	(36.4)	789.1	(9.9)	(57.4)
Operating Profit before finance costs	(25.5)	(20.0)	(16.1)	302.9	(44.5)	(21.7)
Finance costs	(62.2)	71.2	62.9	(64.9)	79.5	139.2
Profit before taxation	(9.5)	(35.1)	(22.3)	2,228.2	(88.0)	(36.6)
Taxation	(37.6)	(35.4)	(8.5)	(5,468.8)	(105.2)	(29.5)
Profit after taxation	3.9	(35.0)	(27.5)	1,408.8	(81.4)	(39.0)



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Cash Flows

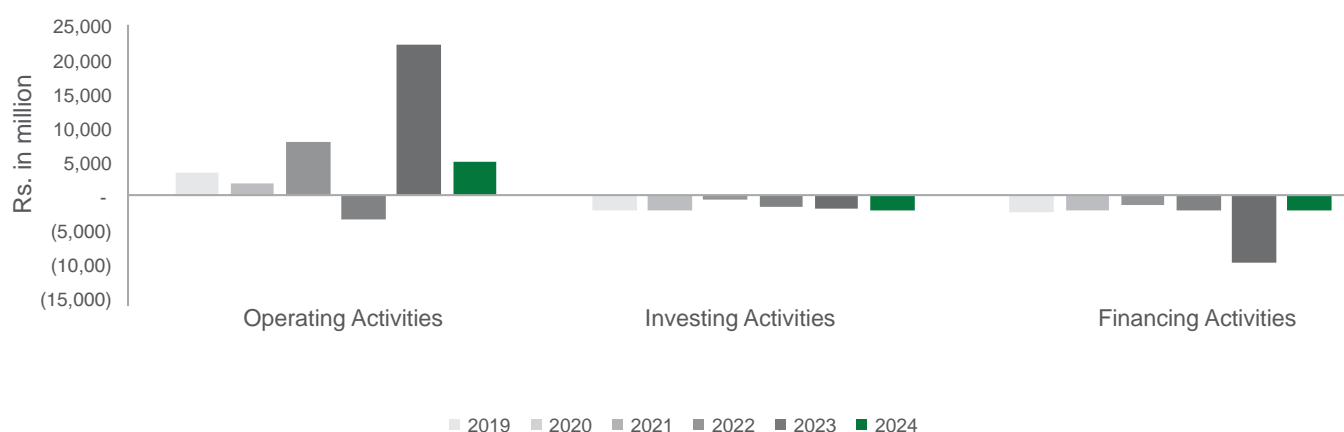
	2024	2023	2022	2021	2020	2019
	(Rs. in '000)					
Net cash generated / (used in) from operating activities	4,978,716	22,361,723	(3,453,241)	8,043,275	1,976,287	3,486,111
Net cash used in from investing activities	(2,077,199)	(1,740,795)	(1,711,067)	(483,513)	(2,180,932)	(2,257,935)
Net cash (used in) / generated from financing activities	(2,024,326)	(9,993,707)	(2,082,025)	(1,275,015)	(2,132,037)	(2,384,558)
Net increase / (decrease) in cash and cash equivalents	877,191	10,627,221	(7,246,333)	6,284,747	(2,336,682)	(1,156,382)

Vertical Analysis

	Percentage					
Net cash generated / (used in) from operating activities	567.6	210.4	(47.7)	128.0	84.6	301.5
Net cash used in from investing activities	(236.8)	(16.4)	(23.6)	(7.7)	(93.3)	(195.3)
Net cash (used in) / generated from financing activities	(230.8)	(94.0)	(28.7)	(20.3)	(91.2)	(206.2)
Net increase / (decrease) in cash and cash equivalents	100.0	100.0	(100.0)	100.0	(100.0)	(100.0)

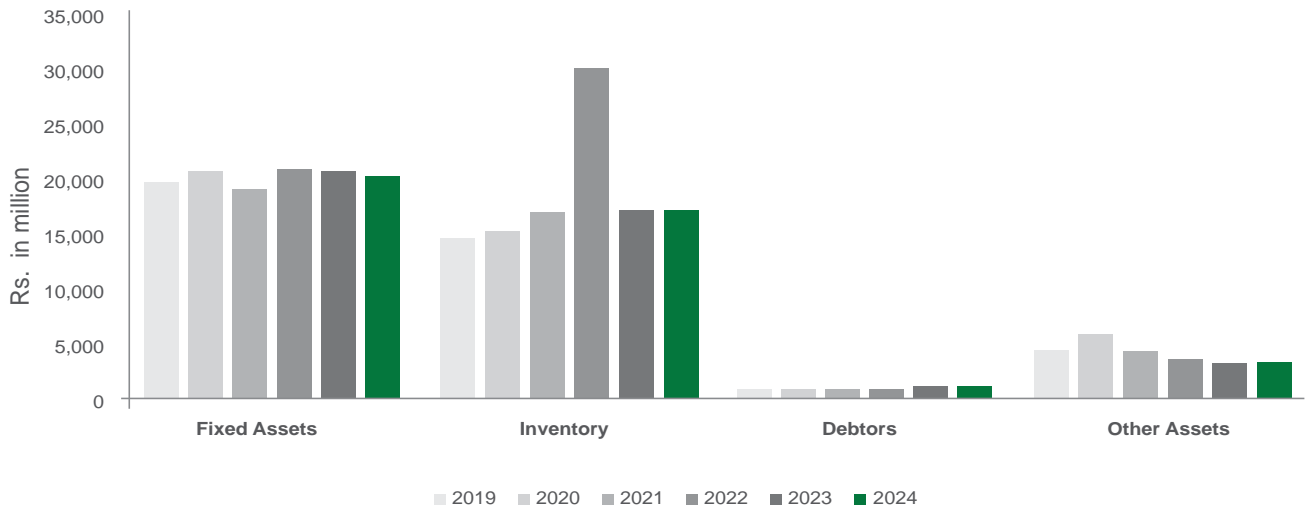
Horizontal Analysis

	Percentage					
Net cash generated / (used in) from operating activities	77.7	747.6	(142.9)	307.0	(43.3)	1,087.6
Net cash used in from investing activities	(19.3)	(1.7)	(253.9)	77.8	3.4	58.7
Net cash (used in) / generated from financing activities	79.7	(380.0)	(63.3)	40.2	10.6	(196.2)
Net increase / (decrease) in cash and cash equivalents	91.7	246.7	(215.3)	369.0	(102.1)	57.1

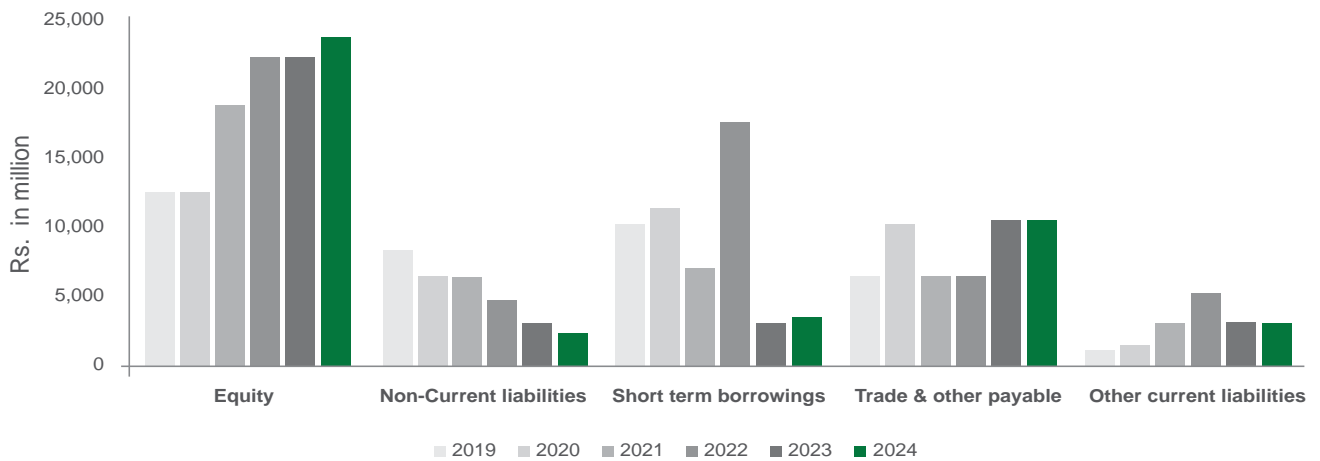


ANALYSIS OF FINANCIAL STATEMENTS

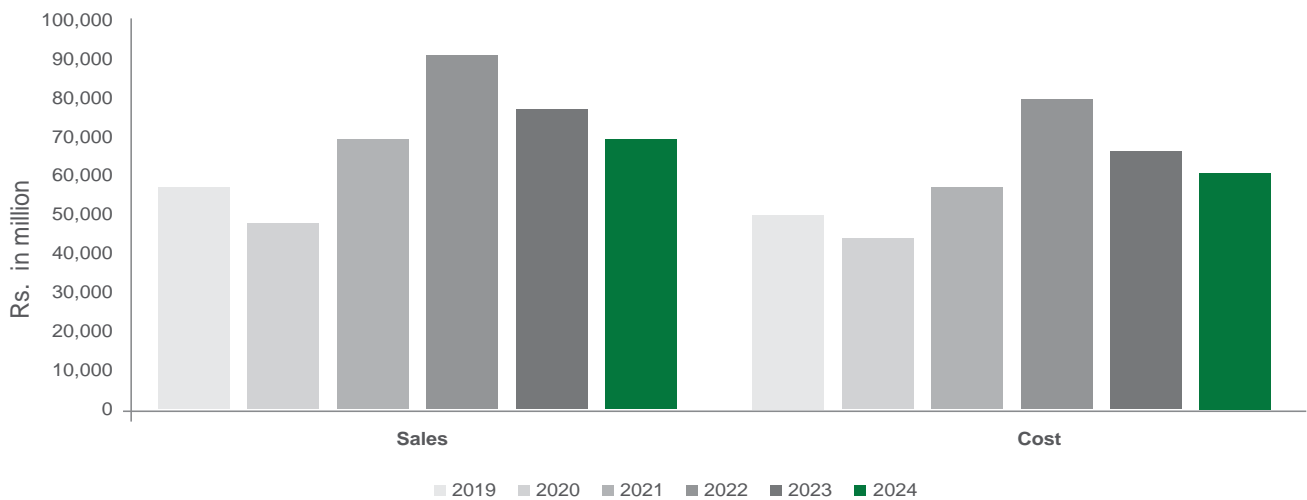
Assets



Equity & Liabilities

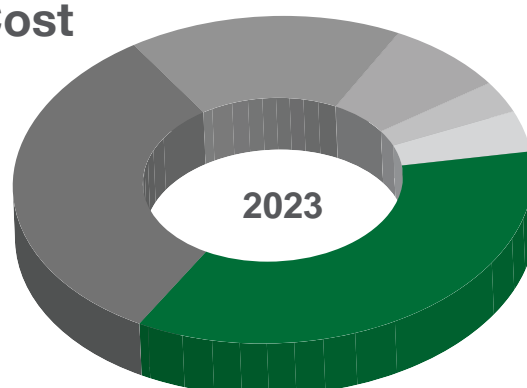
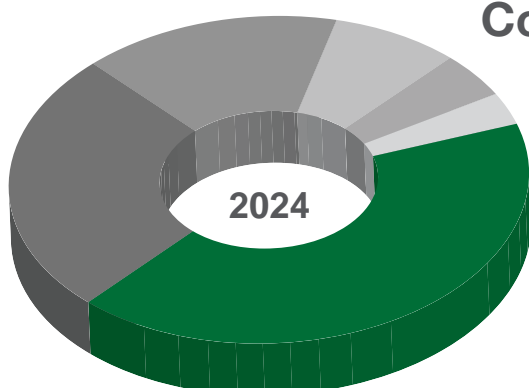


Sales and Cost of Sales



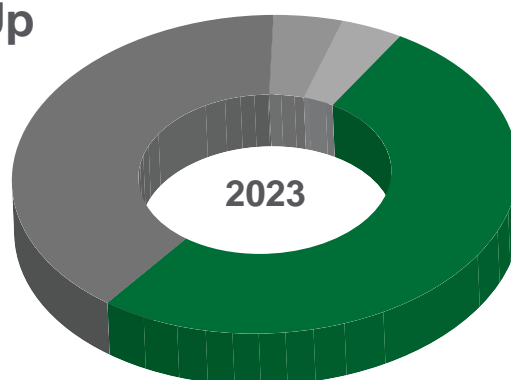
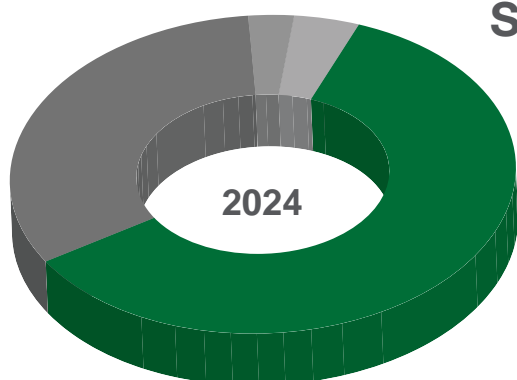
KEY FINANCIAL INDICATORS

Conversion Cost



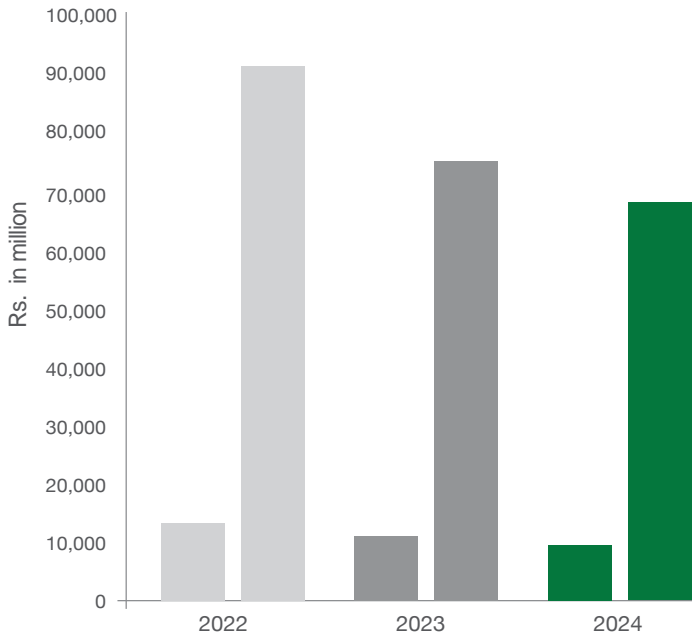
	2024	2023
	(Rs. in million)	
Electricity, gas and water	2,481	1,627
Depreciation and amortisation	1,530	1,478
Salaries, wages and benefits	944	775
Others	477	346
Store and spares consumed with provision	269	145
Repairs and maintenance	190	186
Total	5,891	4,557

Product Wise Sales Break Up



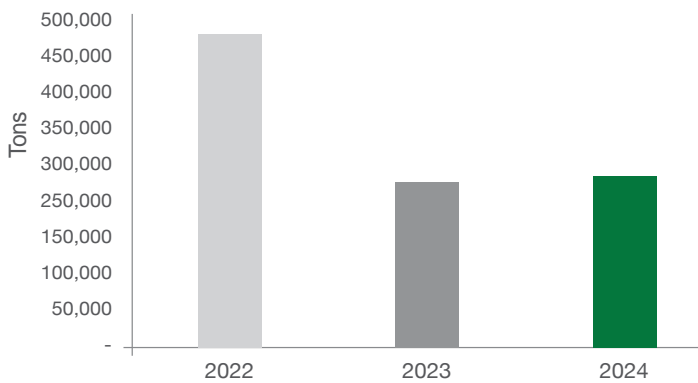
	2024	2023
	(Rs. in million)	
Galvanized Coils	41,726	39,681
Cold rolled Coils	22,630	30,594
Colored Coils	2,020	3,401
Bi-Products	2,924	3,077
Total	69,300	76,753

KEY FINANCIAL INDICATORS



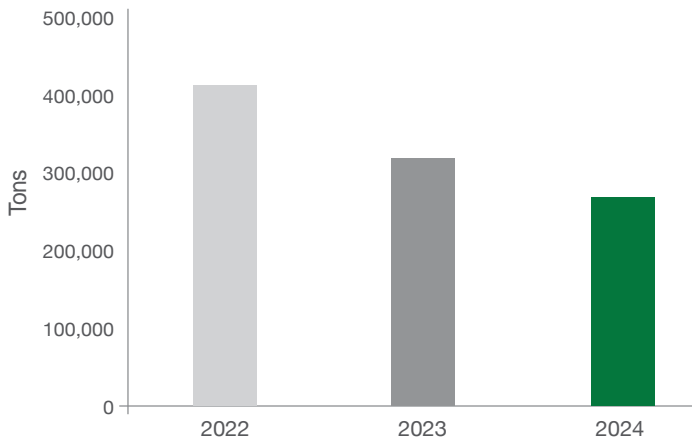
Net Sales / Gross Profit

	2022	2023	2024
	Rs in million		
Net Sales	91,424	76,753	69,300
Gross Profit	12,381	10,608	8,573



Raw material purchases

	2022	2023	2024
Tons	473,244	256,099	268,311



Production

	2022	2023	2024
Tons	411,374	303,544	273,862



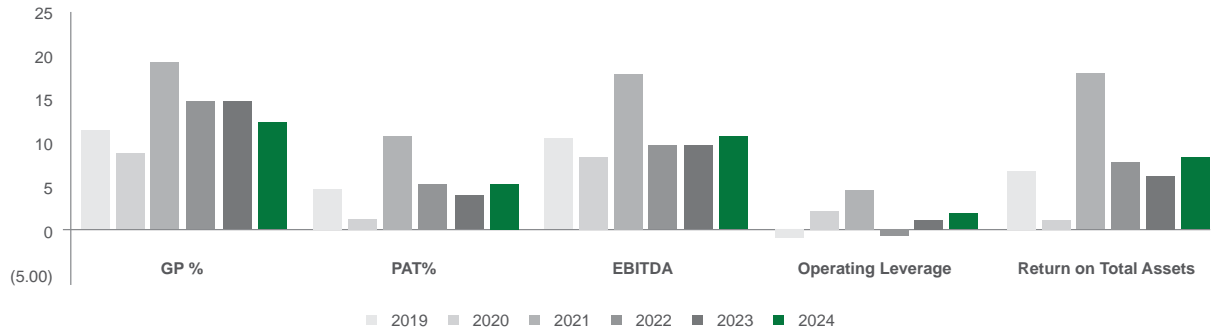
SIX YEARS AT A GLANCE

KEY INDICATORS		2024	2023	2022	2021	2020	2019
Profitability Ratios							
Gross profit ratio	%	12.37	13.82	13.54	19.33	8.76	11.22
Profit before tax to sales	%	6.78	6.76	8.75	14.75	0.92	6.40
Profit after tax to sales	%	5.27	4.58	5.92	10.70	1.03	4.63
EBITDA Margin to Sales	%	10.65	11.79	11.77	17.96	8.31	10.49
Operating Leverage	%	1.90	0.99	(0.46)	4.74	2.06	(0.95)
Return on Shareholders' Equity	%	15.76	16.23	25.06	39.53	3.89	20.69
Operating profit on Capital Employed	%	21.40	29.84	34.93	43.79	14.29	23.13
Return on Total Assets	%	8.18	8.30	9.68	17.90	1.15	6.70
Liquidity Ratios							
Current ratio	times	1.29	1.25	1.20	1.38	0.94	1.09
Quick / Acid test ratio	times	0.32	0.26	0.16	0.33	0.30	0.29
Cash to Current Liabilities		0.016	0.017	0.010	0.018	0.005	0.022
Cash flow from Operations to Sales		0.07	0.29	(0.04)	0.12	0.04	0.06
Cash flow from operation to capital expenditures		2.75	15.85	(1.88)	15.62	0.89	1.53
Free cash flow to the firm	Rs. millions	4,980	22,907	(5,222)	6,247	3,230	2,006
Free cash flow to the equity holders	Rs. millions	4,060	18,526	(6,826)	4,246	(188)	487
Turnover Ratios							
Inventory turnover ratio	times	3.33	3.83	2.62	3.30	2.90	3.32
Debtor turnover ratio (KE)	times	11.50	24.31	12.68	22.73	17.85	12.21
Debtor turnover (KE)	days	32	15	29	16	20	30
Debtor turnover ratio	times	53.89	70.32	92.63	71.37	51.04	76.00
Creditor turnover ratio	times	12.26	28.32	67.59	15.88	11.38	22.41
Total assets turnover ratio	times	1.55	1.81	1.64	1.67	1.12	1.45
Fixed assets turnover ratio	times	3.39	3.72	4.36	3.64	2.32	2.89
Capital employed turnover ratio	times	2.67	3.07	3.43	2.75	2.49	2.73
Operating Cycle							
Inventory turnover	days	110	95	139	111	126	110
Debtor turnover	days	7	5	4	5	7	5
Creditor turnover	days	30	13	5	23	32	16
Operating cycle	days	87	88	138	93	101	98
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	8.40	8.09	12.44	17.16	1.14	6.12
Price earning ratio	times	10.06	5.01	4.77	5.44	45.31	6.49
Market value per share at the end of the year	Rs.	84.55	40.53	59.36	93.41	51.65	39.71
Market value per share high during the year	Rs.	89.79	62.70	103.25	102.50	62.28	116.50
Market value per share low during the year	Rs.	41.50	36.71	53.10	51.95	27.61	33.94
Break-up value per share - Including Revaluation Surplus	Rs.	53.33	49.85	49.65	43.42	29.25	29.61
Break-up value per share - Excluding Revaluation Surplus	Rs.	48.47	44.82	44.10	40.62	26.37	26.64
Price to book ratio	times	1.59	0.81	1.2	2.15	1.77	1.34
Cash Dividend	%	55.00	55.00	65.00	100.00	-	30.00
Dividend Yield	%	6.51	13.57	10.95	10.71	-	7.55
Dividend Cover	times	1.53	1.47	1.91	1.72	-	2.04
Dividend Payout	%	65.46	67.99	52.25	58.28	-	49.02
Dividend per share	Rs.	5.50	5.50	6.50	10.00	-	3.00
Capital Structure Ratios							
Financial leverage ratio	%	0.85	0.86	1.51	1.10	2.25	1.91
Total Debt : Equity ratio		17:83	19:81	50:50	39:61	59:41	58:42
Net assets per share	Rs.	53.33	49.85	49.65	43.42	29.25	29.61
Interest cover	times	7.43	3.43	7.44	14.79	1.21	3.89
Employee Productivity ratios							
Production per Employee	Tons	402	441	584	718	588	785
Revenue per Employee	Rs. millions	102	112	130	102	68	81

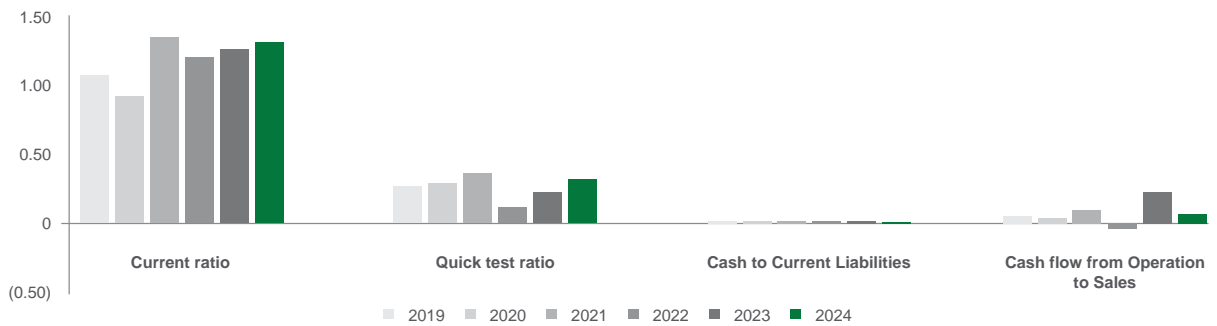


SIX YEARS AT A GLANCE

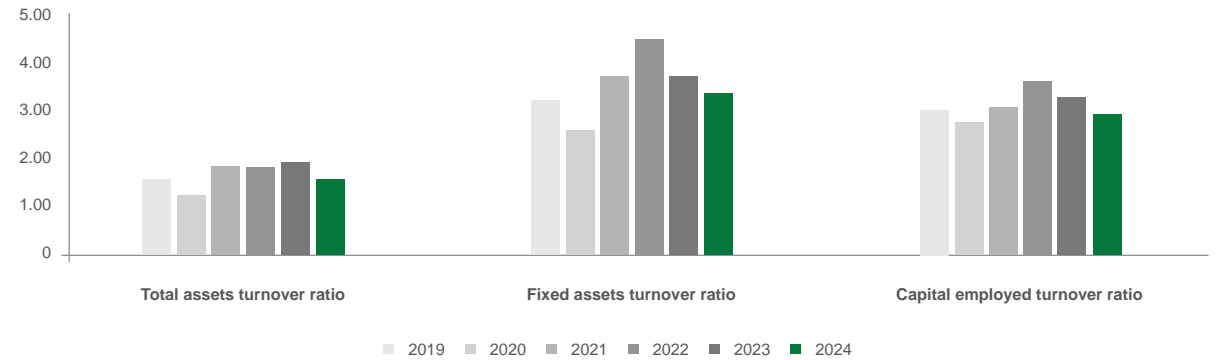
Profitability Ratios



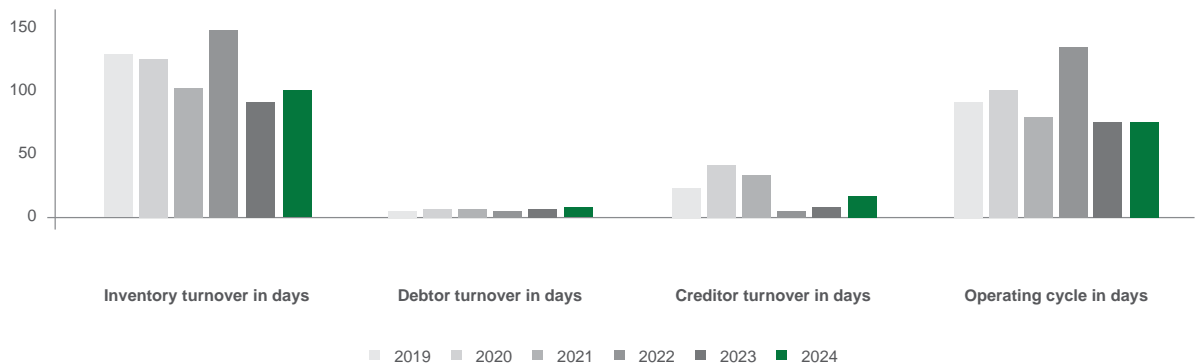
Liquidity Ratios



Turnover Ratios

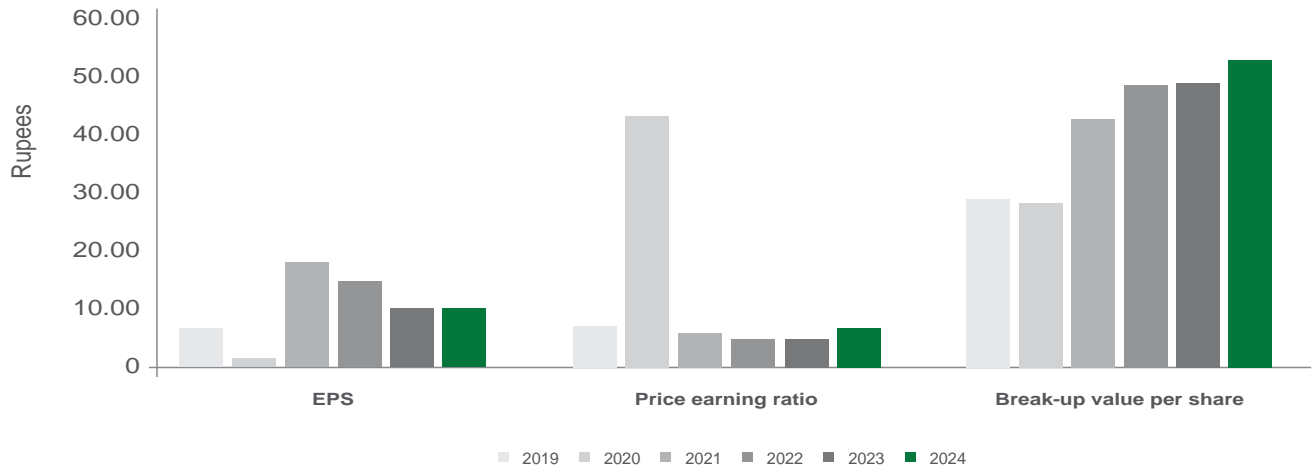


Operating Cycle

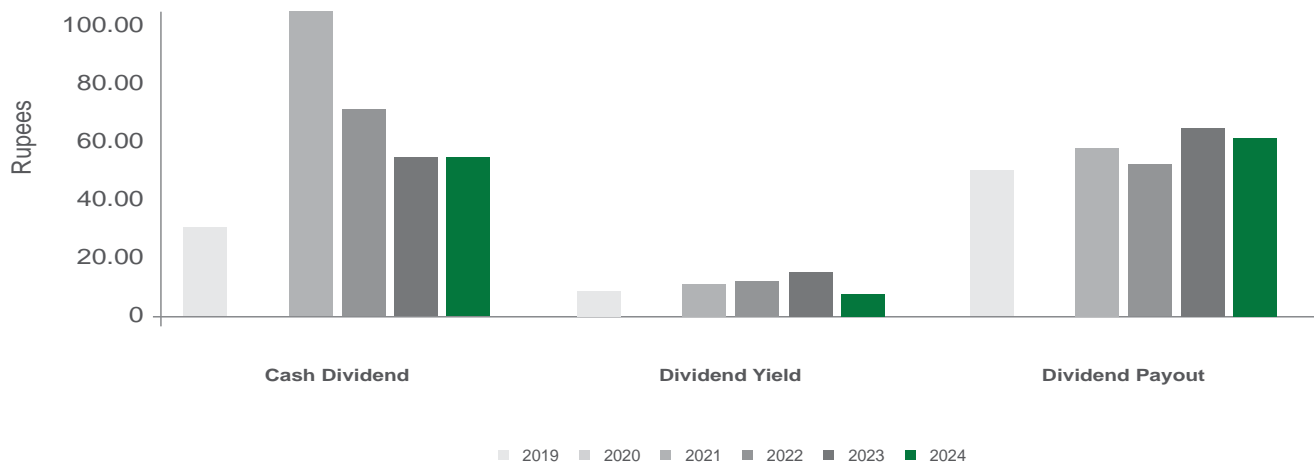


SIX YEARS AT A GLANCE

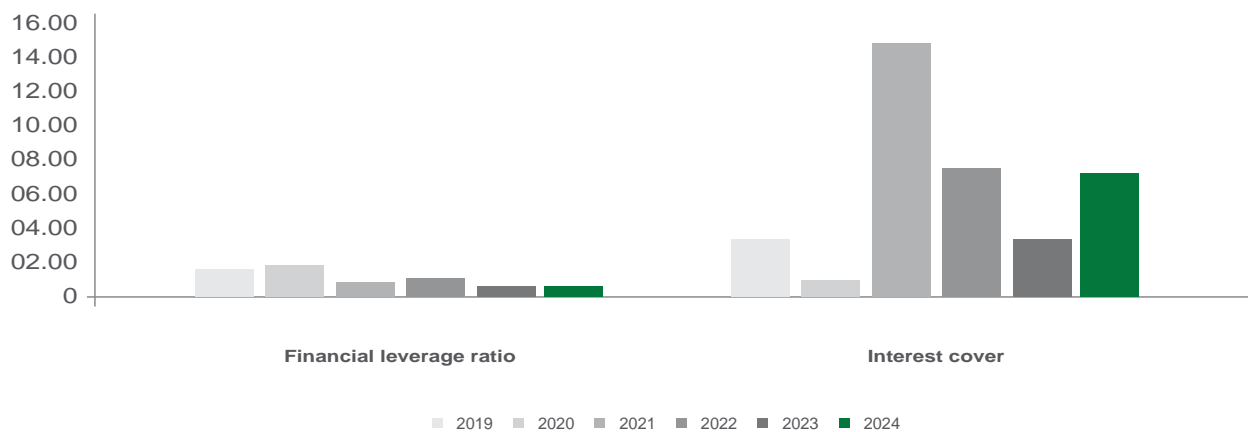
Investment Ratios



Dividend Ratios

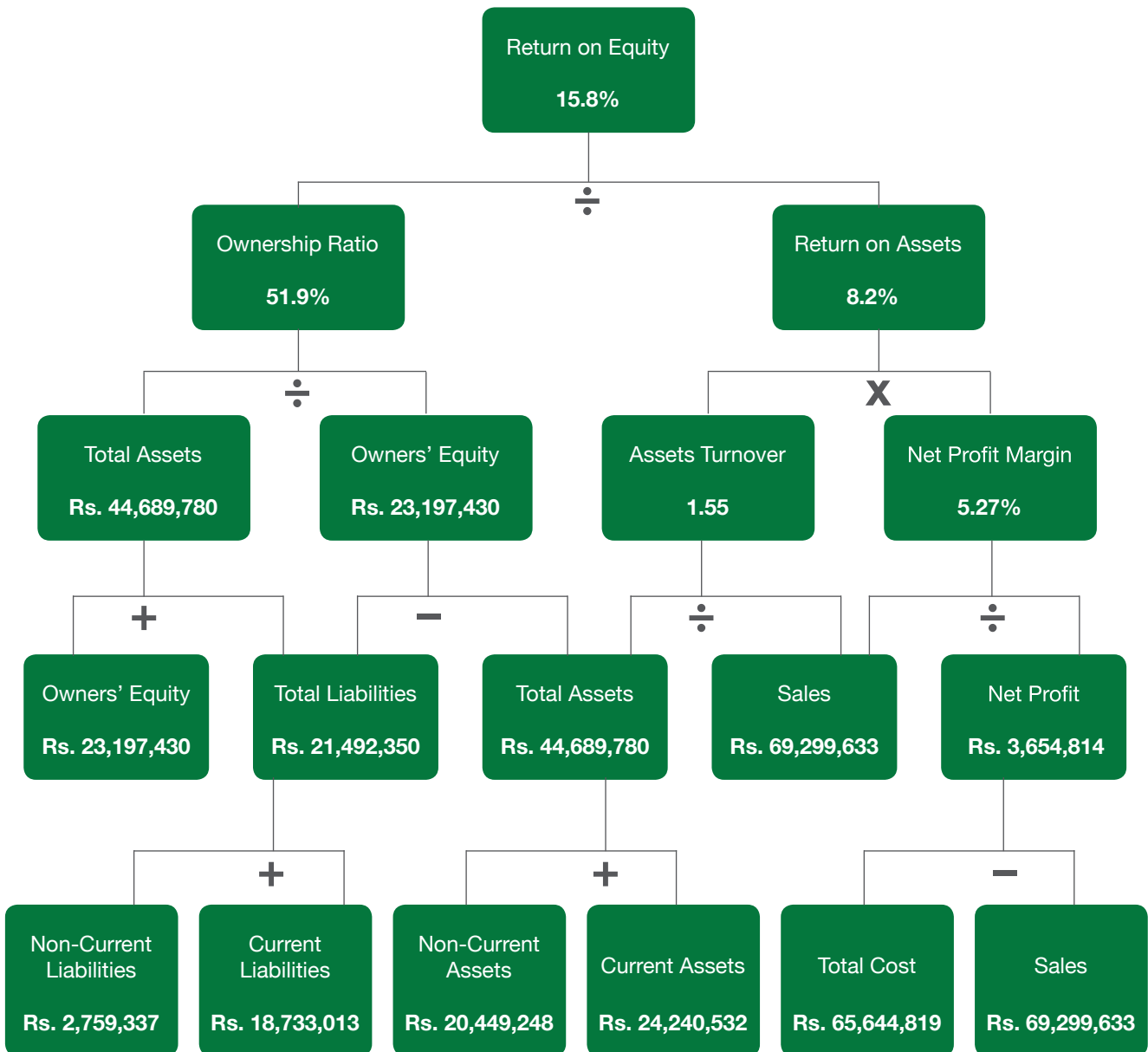


Capital Structure Ratios



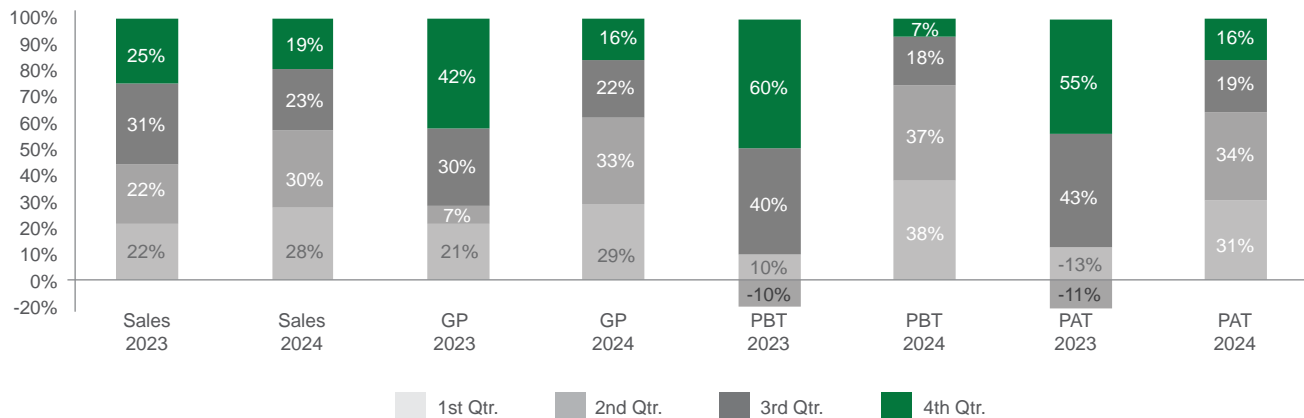
DUPONT ANALYSIS

(Rupees in '000)

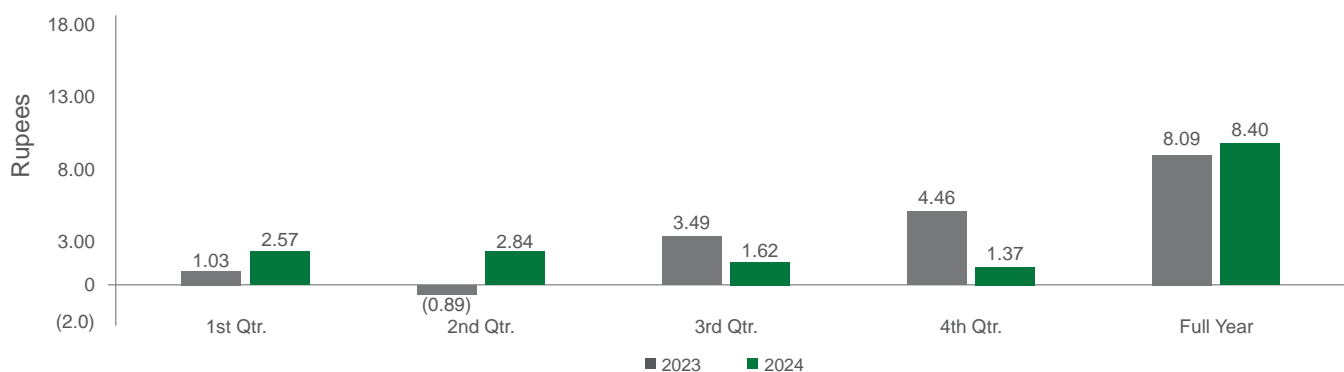


QUARTERLY PERFORMANCE

	2024									
	1st Qtr.		2nd Qtr.		3rd Qtr.		4th Qtr.		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	Rs. in million									
Revenue	19,207	100.00	20,532	100.00	16,276	100.00	13,285	100.00	69,300	100.00
Cost of sales	(16,742)	(87.17)	(17,683)	(86.12)	(14,364)	(88.25)	(11,937)	(89.86)	(60,726)	(87.63)
Gross Profit	2,465	12.83	2,849	13.88	1,912	11.75	1,347	10.14	8,573	12.37
Selling and distribution cost	(369)	(1.92)	(579)	(2.82)	(767)	(4.71)	(375)	(2.83)	(2,090)	(3.02)
Administration cost	(107)	(0.56)	(129)	(0.63)	(106)	(0.65)	(131)	(0.98)	(473)	(0.68)
Operating Profit	1,989	10.36	2,141	10.43	1,039	6.38	841	6.33	6,010	8.67
Other expenses	(145)	(0.75)	(253)	(1.23)	(49)	(0.30)	(142)	(1.07)	(589)	(0.85)
Other income	125	0.65	26	0.13	28	0.17	(46)	(0.34)	133	0.19
EBIT	1,969	10.25	1,914	9.32	1,018	6.25	653	4.92	5,554	8.02
Finance cost	(196)	(1.02)	(176)	(0.86)	(173)	(1.06)	(311)	(2.34)	(856)	(1.24)
PBT	1,773	9.23	1,738	8.46	845	5.19	342	2.58	4,698	6.78
Taxation	(656)	(3.42)	(502)	(2.44)	(139)	(0.85)	253	1.91	(1,044)	(1.51)
PAT	1,117	5.82	1,236	6.02	706	4.34	596	4.48	3,655	5.27
EPS	2.57		2.84		1.62		1.37		8.40	

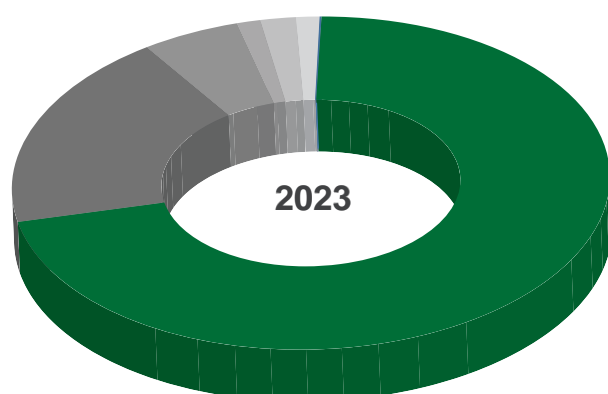
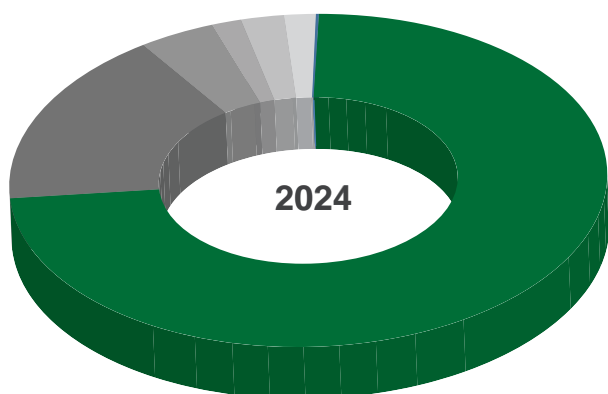


Earnings Per Share



STATEMENT OF VALUE ADDITION

	2024		2023	
	Rs. in '000	%	Rs. in '000	%
Wealth Generated:				
Sales including sales tax	79,051,836	99.8	88,144,075	99.8
Other operating income	133,384	0.2	155,796	0.2
	79,185,220	100	88,299,871	100
Wealth Distributed:				
Cost of material & Services	58,068,081	73.3	62,946,413	71.3
To Employees				
Salaries & other related cost	1,422,471	1.8	1,153,667	1.3
To Government				
Taxes	12,987,885	16.4	16,369,261	18.5
Workers' Profit Participation Fund	252,348	0.3	277,332	0.3
Workers' Welfare Fund	94,945	0.1	73,733	0.1
	13,335,178	16.8	16,720,326	18.9
To Providers of Capital				
Dividend to Shareholders	2,392,500	3.0	2,392,500	2.7
Finance cost	856,088	1.1	2,264,167	2.6
	3,248,588	4.1	4,656,667	5.3
To Society				
Donation	52,350	0.1	55,660	0.1
Retained in the business				
For replacement of fixed assets				
Depreciation & Amortization	1,848,588	2.3	1,696,508	1.9
To provide for growth: Retained profit	1,262,314	1.6	1,126,290	1.3
	3,110,902	3.9	2,822,798	3.2
	79,185,220	100	88,299,871	100



	2024	2023
	%	
Cost of material & Services	73.3	71.3
To Government	16.8	18.9
To Providers of Capital	4.1	5.3
Retained profit	1.6	1.3
Depreciation & Amortization	2.3	1.9
To Employees	1.8	1.3
To Society	0.1	0.1

STATEMENT OF CASH FLOWS - DIRECT METHOD

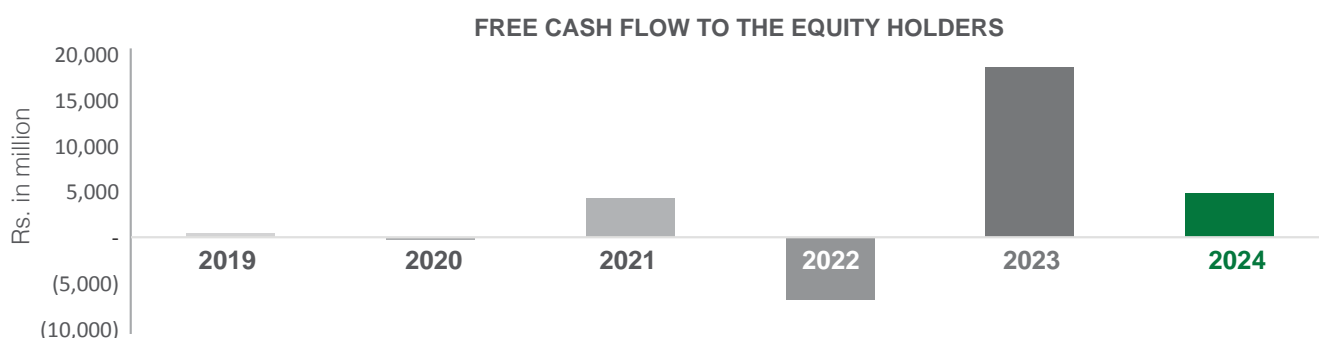
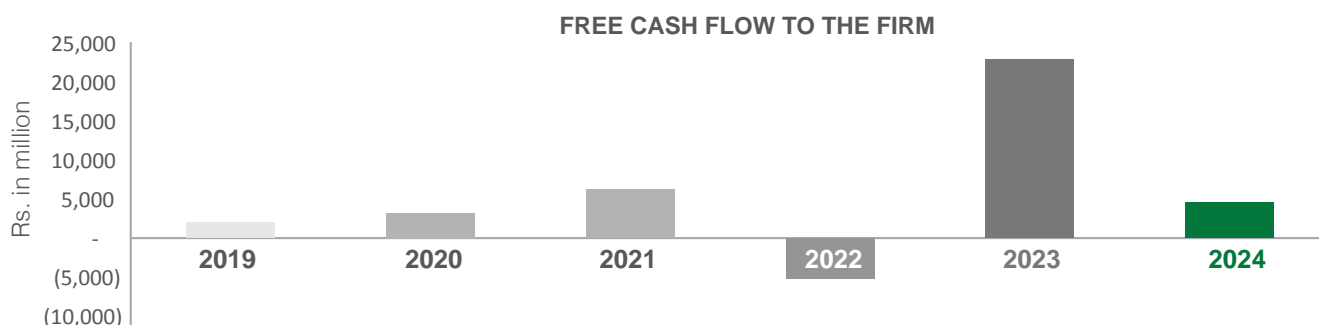
For the year ended June 30, 2024

	2024	2023
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	79,061,447	88,451,473
Cash paid to suppliers / service providers and employees	(70,625,779)	(62,498,624)
Worker fund	(383,596)	(586,816)
Sales tax refund / (payment)	(99,342)	1,258,864
Finance cost paid	(897,959)	(2,296,540)
Income on bank deposits received	282,846	89,310
Staff gratuity paid	(39,304)	(63,012)
Compensated absences paid	(9,269)	(10,618)
Income tax paid	(2,310,328)	(1,982,315)
Net cash generated from operating activities	4,978,716	22,361,723
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(1,809,201)	(1,410,727)
Proceeds from disposal of property, plant and equipment	82,002	53,932
Investments in Term Deposit Receipt	(350,000)	(384,000)
Net cash used in investing activities	(2,077,199)	(1,740,795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term finance	150,000	245,465
Repayment of long term finance	(371,598)	(3,070,248)
Proceeds short term borrowings - net	400,000	(3,882,781)
Lease liability	(25,213)	(23,366)
Dividend paid	(2,177,515)	(3,262,777)
Net cash used in financing activities	(2,024,326)	(9,993,707)
Net Increase in cash and cash equivalents	877,191	10,627,221
Cash and cash equivalents at beginning of the year	1,096,911	(9,530,310)
Cash and cash equivalents at end of the year	1,974,102	1,096,911
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	1,974,102	1,381,136
Short term borrowings - running finance - secured	-	(284,225)
	1,974,102	1,096,911



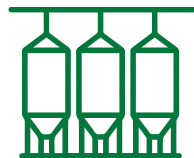
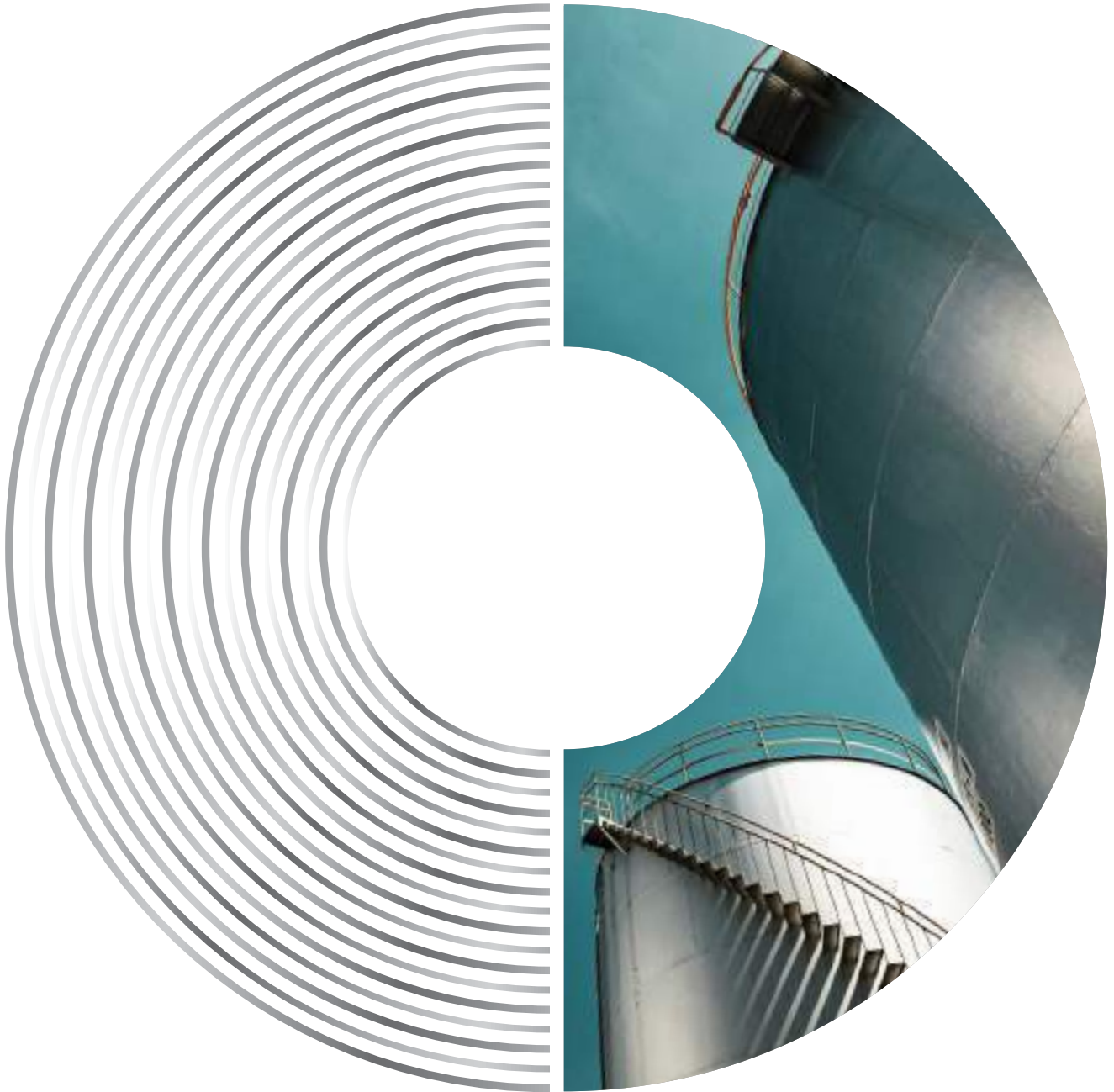
FREE CASH FLOW

	2024	2023	2022	2021	2020	2019
Free cash flow to the firm	(Rs. in million)					
Profit before taxation	4,698	5,191	8,001	10,295	442	3,679
Finance cost	856	2,264	1,323	812	2,315	1,289
Operating Profit	5,554	7,456	9,323	11,107	2,757	4,968
Effective tax rate	22.22%	32.23%	32.36%	27.47%	-11.91%	27.58%
Net operating profit after tax	4,320	5,053	6,306	8,055	3,085	3,598
Depreciation and Amortization	1,848	1,697	1,516	1,538	1,403	1,078
Capital expenditure incurred	(1,809)	(1,411)	(1,832)	(515)	(2,210)	(2,280)
Changes in working capital	621	17,568	(11,212)	(2,831)	952	(390)
Free cash flow to the firm	4,980	22,907	(5,222)	6,247	3,230	2,006
Free cash flow to the Equity holders						
Free cash flow to the firm	4,980	22,907	(5,222)	6,247	3,230	2,006
Net borrowing - (repaid) / raised	(222)	(2,825)	(860)	(1,324)	(747)	(693)
Interest payment - net of tax	(698)	(1,556)	(745)	(677)	(2,671)	(826)
Free cash flow to the Equity holders	4,060	18,526	(6,826)	4,246	(188)	487



Financial Statements

Made of Resilience



ISL's financial integrity and transparency showcase its pivotal role in fortifying Pakistan's infrastructure.



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, 2024, the statement of profit or loss, the statement of 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 material accounting policy information 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, the statement of 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, 2024 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.

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 recognises 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 customers have decreased by 18.15% and export customers have increased significantly by 33.87%, which is substantially due to increase in the volume of export sales.

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 decreased 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:

- Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition;
- Understood and evaluated the accounting policy with respect to revenue recognition;
- Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices;
- performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period;
- recalculated the commission as per Company's policy and verified related distribution expenses; and
- 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.

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.

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 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.

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 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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: August 30, 2024

UDIN: AR202410073q5Pm6aVXD

STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2024

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	4	20,016,449	20,304,569
Right-of-use assets	5.1	23,846	43,839
Intangible assets	6	408,853	309,580
Long term deposit with Central Depository Company of Pakistan Limited		100	100

CURRENT ASSETS

Stores and spares	7	902,140	1,004,646
Stock-in-trade	8	18,259,002	17,261,712
Trade debts	9	1,423,286	1,148,499
Receivable from K-Electric Limited (KE)		25,537	16,685
Advances, trade deposits and prepayments	10	140,894	55,862
Staff retirement benefits	11	55,521	-
Sales tax receivable		580,296	480,954
Taxation - net	12	145,754	-
Cash and bank balances	13	2,708,102	1,765,136

TOTAL ASSETS

44,689,780 42,391,582

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		16,735,347	15,146,402
Capital reserve			
Revaluation surplus on property, plant and equipment	15	2,112,083	2,187,478

TOTAL SHAREHOLDERS' EQUITY

23,197,430 21,683,880

LIABILITIES

NON-CURRENT LIABILITIES

Long term financing - secured	16	845,316	1,005,986
Deferred income - government grant	17	98,244	126,738
Gas Infrastructure Development Cess	18.1	-	148,993
Deferred taxation - net	19	1,811,362	1,989,947
Lease liabilities	5.2.1	4,415	29,426

CURRENT LIABILITIES

Trade and other payables	20	12,822,416	10,712,974
Contract liabilities	21	1,834,506	1,816,607
Short term borrowings - secured	22	3,560,288	3,334,225
Unpaid dividend		430	1,527
Unclaimed dividend		7,079	8,497
Current portion of long term financing - secured	16	344,944	377,378
Current portion of lease liabilities	5.2.1	24,886	19,859
Taxation - net	12	-	920,894
Accrued mark-up		138,464	214,651

TOTAL LIABILITIES

18,733,013 17,406,612

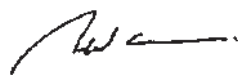
CONTINGENCY AND COMMITMENTS

23

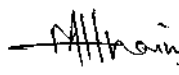
TOTAL EQUITY AND LIABILITIES

44,689,780 42,391,582

The annexed notes from 1 to 45 form an integral part of these financial statements.



Nihal Cassim
Director & Chairman
Board Audit Committee



Mujtaba Hussain
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

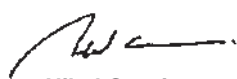


STATEMENT OF PROFIT OR LOSS

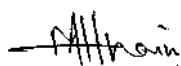
For the year ended June 30, 2024

	Note	(Restated)	
		2024	2023
(Rupees in '000)			
Revenue from contracts with customers	24	69,299,633	76,753,334
Cost of sales	25	(60,726,441)	(66,145,658)
Gross profit		8,573,192	10,607,676
Selling and distribution expenses	26	(2,090,474)	(997,224)
Administrative expenses	27	(472,739)	(389,057)
		(2,563,213)	(1,386,281)
Operating profit		6,009,979	9,221,395
Finance cost	28	(856,088)	(2,264,167)
Other expenses	29	(588,930)	(1,921,613)
		(1,445,018)	(4,185,780)
Other income	30	133,384	155,796
Profit before levies and income tax		4,698,345	5,191,411
Levies	31	(223,913)	(167,362)
Profit before income tax		4,474,432	5,024,049
Income tax expense	32	(819,618)	(1,505,259)
Profit for the year		3,654,814	3,518,790
(Rupees)			
Earnings per share - basic and diluted	33	8.40	8.09

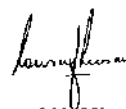
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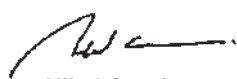
Yousuf H. Mirza
Chief Executive
Officer

STATEMENT OF COMPREHENSIVE INCOME

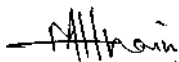
For the year ended June 30, 2024

Note	2024	2023
	(Rupees in '000)	
Profit for the year	3,654,814	3,518,790
Other comprehensive income for the year		
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>		
Remeasurements of staff retirement benefits	55,305	(29,009)
Related deferred tax charge for the year	(21,569)	(139,490)
Other comprehensive income for the year - net of tax	33,736	(168,499)
Total comprehensive income for the year	3,688,550	3,350,291

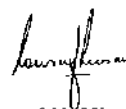
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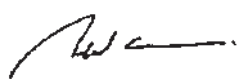
Yousuf H. Mirza
Chief Executive
Officer

STATEMENT OF CHANGES IN EQUITY

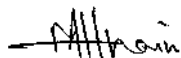
For the year ended June 30, 2024

	Issued, subscribed & paid-up capital	Revenue reserve- unappropriated profit	Capital reserve- Revaluation surplus on property, plant and equipment	Total
(Rupees in '000)				
Balance as at July 01, 2022	4,350,000	14,835,313	2,410,776	21,596,089
Profit for the year	-	3,518,790	-	3,518,790
Other comprehensive income for the year	-	(20,596)	(147,903)	(168,499)
Total comprehensive income for the year	-	3,498,194	(147,903)	3,350,291
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	75,395	(75,395)	-
Transactions with owners in their capacity as owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 45% (Rs. 4.50 per share) for the year ended June 30, 2022	-	(1,957,500)	-	(1,957,500)
- Interim dividend @ 30% (Rs. 3.00 per share) for the year ended June 30, 2023	-	(1,305,000)	-	(1,305,000)
	-	(3,262,500)	-	(3,262,500)
Balance as at June 30, 2023	4,350,000	15,146,402	2,187,478	21,683,880
Profit for the year	-	3,654,814	-	3,654,814
Other comprehensive income for the year	-	33,736	-	33,736
Total comprehensive income for the year	-	3,688,550	-	3,688,550
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	75,395	(75,395)	-
Transactions with owners in their capacity as owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2023	-	(1,087,500)	-	(1,087,500)
- Interim dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2024	-	(1,087,500)	-	(1,087,500)
	-	(2,175,000)	-	(2,175,000)
Balances as at June 30, 2024	4,350,000	16,735,347	2,112,083	23,197,430

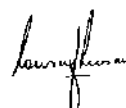
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STATEMENT OF CASH FLOWS

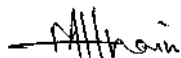
For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations			
Finance cost paid		(897,959)	(2,296,540)
Income on bank deposits received - Conventional	34	282,846	89,310
Income on bank deposits received - Islamic		9,843	-
Staff retirement benefits paid	11.2.9	(39,304)	(63,012)
Payment on account of compensated absences		(9,269)	(10,618)
Income tax and levies paid	12	(2,310,328)	(1,982,315)
		(2,964,171)	(4,263,175)
Net cash generated from operating activities		4,978,716	22,361,723
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(1,708,323)	(1,277,643)
Payment for acquisition of intangible asset		(100,878)	(133,084)
Proceeds from disposal of property, plant and equipment		82,002	53,932
Investments in Term Deposit Receipt		(350,000)	(384,000)
Net cash used in investing activities		(2,077,199)	(1,740,795)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		150,000	245,465
Repayment of long term financing		(371,598)	(3,070,248)
Short term borrowings - net		400,000	(3,882,781)
Lease rentals paid	5.2.1	(25,213)	(23,366)
Dividend paid		(2,177,515)	(3,262,777)
Net cash used in financing activities		(2,024,326)	(9,993,707)
Net increase in cash and cash equivalents		877,191	10,627,221
Cash and cash equivalents at beginning of the year		1,096,911	(9,530,310)
Cash and cash equivalents at end of the year	35	1,974,102	1,096,911

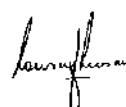
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Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2024

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 (2023: 245,055,543) shares of the Company as at June 30, 2024 representing 56.3% (2023: 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 - 54000
- Office No. 303-A 3rd Floor Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and
- Office No. 708-A, The United Mall, plot No. 74, 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 of:

- 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 judgements

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:

- Lease liability and Right-of-use assets (note 3.1)
- Property, plant and equipment (note 3.2)
- Trade debts, advances (note 3.4.2.1 and note 3.13)
- Stock-in-trade (note 3.6)
- Taxation (note 3.7)
- Staff retirement benefits (note 3.8)
- Provisions (note 3.14)
- Contingent liabilities (note 3.15)

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 1, 2023. 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 1, 2024. 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 MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material 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, 2023.

3.1 Lease liability and Right-of-use assets

The Company, as a lessee, has recognized 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 and 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 payment 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.

The fair value of the Company's freehold land and building on free hold land is determined after a period of three years by an independent professionally qualified valuer. However, fair value is re-assessed on a periodic basis to check for any material impact. During the year, the fair value was re-assessed and there was no material change in the value.

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
- at amortized 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 amortized 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 Financial assets

All financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. 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 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 comprise of 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

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and 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.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

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.

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 from power generation

Revenue from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited.

3.12 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.

3.13 Impairment

3.13.1 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, 2024 or July 1, 2023 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.

3.13.2 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
(Rupees in '000)						
Effect on statement of profit or loss						
Profit before income tax	4,698,345	(223,913)	4,474,432	5,191,411	(167,362)	5,024,049
Levies - final tax	-	(223,913)	(223,913)	-	(167,362)	(167,362)
Income tax expense	(1,043,531)	223,913	(819,618)	(1,672,621)	167,362	(1,505,259)

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Operating assets	4.1	18,374,041	19,052,667
Capital work-in-progress	4.2	1,034,742	703,715
Stores and spares held for capital expenditure	4.3	607,666	548,187
		20,016,449	20,304,569

4.1 Operating assets

	Freehold land - revalued - notes 4.1.2 - 4.1.3 & 4.1.4	Buildings on freehold land - revalued notes 4.1.2-4.1.3&4.1.4	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
(Rupees in '000)						
Balance as at July 1, 2023						
Cost / revalued amount	2,816,203	3,789,920	21,706,143	205,753	317,412	28,835,431
Accumulated depreciation	-	(267,260)	(9,278,608)	(125,998)	(110,898)	(9,782,764)
Accumulated impairment	-	-	-	-	-	-
Net book value (NBV)	2,816,203	3,522,660	12,427,535	79,755	206,514	19,052,667
Additions / adjustments / transfers from capital work in progress	-	59,884	871,235	46,330	236,063	1,213,512
Disposals - note 4.1.4						
- Cost	-	-	(122,095)	(2,899)	(75,904)	(200,898)
- Accumulated depreciation/ Accumulated impairment	-	-	84,061	2,708	48,981	135,750
	-	-	(38,034)	(191)	(26,923)	(65,148)
Depreciation charge - note 4.1.1	-	(272,301)	(1,438,330)	(30,282)	(86,077)	(1,826,990)
Balance as at June 30, 2024 (NBV)	2,816,203	3,310,243	11,822,406	95,612	329,577	18,374,041
Gross carrying value as at June 30, 2024						
Cost / revalued amount	2,816,203	3,849,804	22,455,283	249,184	477,571	29,848,045
Accumulated depreciation/ Accumulated impairment	-	(539,561)	(10,632,877)	(153,572)	(147,994)	(11,474,004)
Net book value	2,816,203	3,310,243	11,822,406	95,612	329,577	18,374,041
Depreciation rates (% per annum)	-	3 - 10	3 - 50	5 - 50	20	
Balance as at July 1, 2022						
Cost / revalued amount	2,816,203	3,767,666	20,835,129	172,447	247,244	27,838,689
Accumulated depreciation	-	-	(7,976,631)	(103,443)	(87,179)	(8,167,253)
Accumulated impairment	-	-	-	-	-	-
Net Book Value (NBV)	2,816,203	3,767,666	12,858,498	69,004	160,065	19,671,436
Additions / transfer from capital work in progress	-	22,352	901,444	34,551	118,091	1,076,438
Disposals Note 4.1.4						
- Cost	-	(98)	(30,430)	(1,245)	(47,923)	(79,696)
- Accumulated depreciation/ Accumulated impairment	-	14	28,908	1,008	30,811	60,741
	-	(84)	(1,522)	(237)	(17,112)	(18,955)
Depreciation charge - Note 4.1.1	-	(267,274)	(1,330,885)	(23,563)	(54,530)	(1,676,252)
Balance as at June 30, 2023 (NBV)	2,816,203	3,522,660	12,427,535	79,755	206,514	19,052,667
Gross carrying value as at June 30, 2023						
Cost / revalued amount	2,816,203	3,789,920	21,706,143	205,753	317,412	28,835,431
Accumulated depreciation/ Accumulated Impairment	-	(267,260)	(9,278,608)	(125,998)	(110,898)	(9,782,764)
Net book value	2,816,203	3,522,660	12,427,535	79,755	206,514	19,052,667
Depreciation rates (% per annum)	-	3 - 10	3 - 50	5 - 50	20	

Operating assets include fully depreciated assets having cost of Rs. 2,177.79 million (2023: Rs. 1,754.63 million)

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

	Note	2024	2023
(Rupees in '000)			
Cost of sales	25	1,530,085	1,477,909
Selling and distribution expenses	26	18,195	14,054
Administrative expenses	27	25,037	16,456
Income from power generation	30.1	253,673	167,833
		1,826,990	1,676,252

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.	4,035,886
	Plot No. LE-73-79, 102-103, 112-118, 125-129 Survey # NC. 98, near Arabian Country Club, NIP, Bin Qasim Industrial Park, Karachi.	653,400 Sq. Ft.	1,120,524
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, 1,114, 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 was 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 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.

The Company also carried out fair valuation for the freehold land and buildings through their independent valuer, MYK Associates (Private) Limited, as at June 30, 2024. However, the change was immaterial in the context of these financial statements.

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, 2024, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
(Rupees in '000)			
Freehold land	1,455,541	-	1,455,541
Buildings on freehold land	3,221,205	(1,155,627)	2,065,578
As at June 30, 2024	4,676,746	(1,155,627)	3,521,119
As at June 30, 2023	4,616,862	(998,273)	3,618,589

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 buyer
(Rupees in '000)								
Vehicles								
Toyota Corolla Altis	3,573	2,620	953	3,513	2,560	As per Policy	Mr. Mustafa Khan	Employee
Toyota Yaris Ativ Manual	2,625	1,619	1,006	3,035	2,029	Negotiation	Farhat Enterp.	Third Party
Honda City Prosmatec	2,817	1,362	1,455	3,315	1,860	As per Policy	Mr. Ozair Syed	Employee
Suzuki Cultus Vxr	1,780	831	949	2,475	1,526	As per Policy	Mr. Sanjay Kumar	Employee
Toyota Yaris Ativ Manual	2,752	826	1,926	3,298	1,372	As per Policy	Mr. Khurram Iqbal	Employee
Suzuki Alto Vxr	1,335	601	734	1,910	1,176	Negotiation	Itehad Motors	Third Party
Suzuki Alto Vxl	1,886	314	1,572	2,700	1,128	Negotiation	Yaseen Motors	Third Party
Suzuki Alto Vxr	1,433	669	764	1,868	1,104	As per Policy	Mr. Naveed Arshad	Employee
Suzuki Alto Vxr	1,335	534	801	1,755	954	As per Policy	Mr. Mukesh Kumar	Employee
Suzuki Alto Vxr	1,395	628	767	1,703	936	As per Policy	Mr. Shams Muhammad	Employee
Toyota Corolla Altis	3,350	1,005	2,345	3,075	730	As per Policy	Mr. Tallat Bashir	Employee
Kia Picanto 1.0	3,206	641	2,565	2,400	(165)	As per Policy	Ms. Munazzah Iqbal	Employee
Toyota Yaris Ativ Manual	4,512	752	3,760	3,450	(310)	Negotiation	Itehad Motors	Third Party
Kia Stonic	5,942	693	5,249	4,650	(599)	Negotiation	Itehad Motors	Third Party
	37,941	13,095	24,846	39,147	14,301			
Plant and machinery								
Skin Pass Mill old Items	41,419	14,904	26,515	4,967	(21,549)	Negotiation	Asif Bajwa Steel Co.	Third Party
Incinerator system at CCL for heat recovery & enviroment protection	14,491	7,970	6,521	1,360	(5,161)	Negotiation	Yasir Shah Traders	Third Party
Galvanizing Plant old Equipment	8,165	3,167	4,998	600	(4,398)	Negotiation	Yasir Shah Traders	Third Party
	64,075	26,041	38,034	6,927	(31,108)			
Total	102,016	39,136	62,880	46,074	(16,807)			

4.2 Capital work-in-progress

	2024				2023			
	Cost As at July 01, 2023	Additions	(Transfers) / Adjustments	As at June 30, 2024	Cost As at July 01, 2022	Additions	(Transfers) / Adjustments	As at June 30, 2023
(Rupees in '000)								
Buildings on freehold land	20,511	375,168	(59,884)	335,795	6,621	36,242	(22,352)	20,511
Plant and machinery	615,325	932,481	(871,235)	676,571	547,279	969,490	(901,444)	615,325
Furniture, fixtures, computer and office equipment	26,201	42,347	(46,330)	22,218	10,687	50,065	(34,551)	26,201
Vehicles	41,678	194,543	(236,063)	158	9,813	149,956	(118,091)	41,678
	703,715	1,544,539	(1,213,512)	1,034,742	574,400	1,205,753	(1,076,438)	703,715

4.3 Stores and spares held for capital expenditure

	2024	2023
	(Rupees in '000)	
Balance at beginning of the year	548,187	503,769
Additions during the year	200,724	271,081
Transfers / adjustments made during the year	(36,937)	(199,195)
Provision for obsolescence against capital spares	(104,308)	(27,468)
Balance at end of the year	607,666	548,187

5. LEASES

5.1 Right-of-use assets

	2024	2023
	(Rupees in '000)	
Balance at beginning of the year	43,839	63,725
Depreciation charge during the year	(19,993)	(19,886)
Balance at end of the year	23,846	43,839

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

	Note	2024	2023
		(Rupees in '000)	
Selling and distribution expenses	26	16,500	16,393
Administrative expenses	27	3,493	3,493
		19,993	19,886

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. Finance charge of 15% (2023: 15%) per annum have been used as discounting factor.

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

	Note	2024	2023
		(Rupees in '000)	
Balance at beginning of the year		49,285	64,941
Interest expense	28	5,229	7,710
Payments		(25,213)	(23,366)
Balance at end of the year		29,301	49,285
Current portion		24,886	19,859
Non-current portion		4,415	29,426
		29,301	49,285

5.2.2 Lease liabilities payable are as follows:

	2024			2023		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000)					
Less than one year	27,265	(2,379)	24,886	25,272	(5,413)	19,859
Between one and five years	4,484	(69)	4,415	29,937	(511)	29,426
	31,749	(2,448)	29,301	55,209	(5,924)	49,285

6. INTANGIBLE ASSETS

	Note	2024	2023
		(Rupees in '000)	
Operating intangible assets		6,876	547
Capital work in progress (CWIP)	6.2	401,977	309,033
		408,853	309,580
Operating intangible assets			
Net book value at beginning of the year		547	573
Addition		7,934	344
Amortization	6.3	(1,605)	(370)
Net book value at end of the year		6,876	547
Gross carrying value as at 30 June			
Cost		23,611	23,267
Addition		7,934	344
Accumulated amortization		(24,669)	(23,064)
Net book value		6,876	547
Amortisation rate (per annum)		20% - 33.33%	20% - 33.33%

6.1 Intangible assets comprise computer software.

6.2 This includes capitalization of Advanced Supply Chain Software, Delmia Quintiq solutions, amounting to Rs. 396.84 million (2023: Rs. 292.97 million)

6.3 Total amount of amortisation has been charged to cost of sales in these financial statements.

7. STORES AND SPARES

	2024	2023
	(Rupees in '000)	
Stores	1,105,470	528,556
Spares	101,589	684,275
Loose tools	14,803	12,131
	1,221,862	1,224,962
Less: Provision for net realizable value written down	(319,722)	(220,316)
	902,140	1,004,646

8. STOCK-IN-TRADE

	2024	2023
	(Rupees in '000)	
Raw material - in hand	3,818,766	5,862,618
- in transit	4,918,138	3,594,350
	8,736,904	9,456,968
Work-in-process	1,560,840	470,796
Finished goods	7,926,094	7,306,129
Scrap material	32,190	22,876
By-products	2,974	4,943
	18,259,002	17,261,712

9. TRADE DEBTS - CONSIDERED GOOD

	Note	2024	2023
		(Rupees in '000)	
- Secured	9.1 & 9.2	262,534	731,853
- Unsecured	9.2	1,160,752	416,646
		1,423,286	1,148,499

9.1 These include trade debts arising on account of export sales of Rs. 221.12 million (2023: Rs. 568.57 million) which are secured by way of Export Letters of Credit and Rs. 41.40 million (2023: Rs. 163.29 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 and IIL Americas Inc.- related parties amounting to Rs. 227.56 million (2023: Rs. 71.78 million) and Rs.157.71 million (2023: Rs. Nil) respectively and Sumitomo Corporation - an associated company amounting to Rs. 153.19 million (2023: Rs. 132.14 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 is Rs. 1,092.76 million (2023: Rs. 1,559.25 million).

9.3 The ageing of trade debts receivable from other than related parties as at the reporting date is as under:

	2024	2023
	(Rupees in '000)	
Not yet due	869,064	885,124
Past due 1-60 days	15,749	56,091
Past due 61 days	-	56
	884,813	941,271

10. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

	Note	2024	2023
		(Rupees in '000)	
Advances to suppliers - considered good	10.1	101,215	17,208
Trade deposits	10.1	15,414	28,494
Prepayments		24,265	10,160
		140,894	55,862

10.1 These advances and trade deposits are non-interest bearing.

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, 2024.

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	

2024	2023
14.50%	15.75%
13.50%	14.75%
SLIC 2001-2005	SLIC 2001-2005
Moderate	Moderate
Age 60 year	Age 60 years

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

Present value of defined benefit obligation	
Fair value of plan assets	
Asset as at 30 June	

2024	2023
(Rupees in '000)	
446,428	369,504
(501,949)	(369,504)
(55,521)	-

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	
Interest cost	
Remeasurements: Actuarial losses on obligation	
Benefits paid	
Present value of defined benefit obligation	

2024	2023
(Rupees in '000)	
369,504	294,026
42,183	36,246
57,120	39,086
(8,707)	9,142
(13,672)	(8,996)
446,428	369,504

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	
Contribution to fund	
Fair value of plan assets - end of the year	

2024	2023
(Rupees in '000)	
369,504	294,026
60,215	41,329
46,598	(19,867)
(13,672)	(8,996)
39,304	63,012
501,949	369,504

11.2.9 Movement in net defined benefit liability

	2024	2023
	(Rupees in '000)	
Balance at beginning of the year	-	-
Re-measurements recognized in other comprehensive income during the year	(55,305)	29,009
Expense chargeable to statement of profit or loss	39,088	34,003
Contribution paid during the year	(39,304)	(63,012)
Balance at end of the year	(55,521)	-

11.2.10 Amount recognized 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:

	2024	2023
	(Rupees in '000)	
<i>Component of defined benefit costs recognized in statement of profit or loss</i>		
Current service cost	42,183	36,246
Net interest cost		
- Interest cost on defined benefit obligation	57,120	39,086
- Return on plan assets	(60,215)	(41,329)
	39,088	34,003
<i>Component of defined benefit costs (re-measurement) recognized in other comprehensive income</i>		
Re-measurements: Actuarial (gain) / loss on obligation		
- (Gain) / Loss due to change in experience adjustments	(8,707)	9,142
- Return on plan assets	(46,598)	19,867
Net re-measurement recognized in other comprehensive income	(55,305)	29,009
Total defined benefit cost recognized in statement of profit or loss and other comprehensive income	(16,217)	63,012

11.2.11 Components of defined benefit cost for the next year

	2024	2023
	(Rupees in '000)	
Current service cost	46,729	42,183
Interest expense on defined benefit obligation	62,844	56,806
Return on plan assets	(74,673)	(60,533)
Net interest cost	(11,829)	(3,727)
Cost for the next year to be recognized in statement of profit or loss	34,900	38,456

The contribution in relation to gratuity benefit for the year ending June 30, 2025 is expected to be same as the expense.

11.2.12 Composition of fair value of plan assets

	2024		2023	
	Fair value (Rupees in '000)	Percentage	Fair value (Rupees in '000)	Percentage
Government securities	332,088	66.16	258,272	69.90
Shares - Listed	127,010	25.30	65,742	17.79
Bank deposits	42,852	8.54	45,490	12.31
Fair value of plan assets	501,950	100.00	369,504	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

	2024	2023
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	26,045	17,668
Two years	20,980	26,769
Three years	80,159	20,421
Four years	27,057	80,762
Five years	30,142	26,924
Six years and onwards	12,555,439	15,142,368

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

	2024	2023
	(Rupees in '000)	
Actuarial liability		
Discount rate + 1%	405,150	334,434
Discount rate - 1%	494,641	410,510
Salary increase + 1%	495,273	411,056
Salary increase - 1%	403,912	333,381
	(Number in years)	
Weighted average duration of the defined benefit obligation	10	10

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	2024	2023
		(Rupees in '000)	
Tax payable at beginning of the year		(920,894)	(1,375,883)
Tax payments / adjustments made during the year		2,310,328	1,982,315
		1,389,434	606,432
Less: Provision for tax - current	31 & 32	(1,243,680)	(1,527,326)
Tax receivable / (payable) at end of the year		145,754	(920,894)

13. CASH AND BANK BALANCES

	Note	2024	2023
(Rupees in '000)			
Cash at bank			
Conventional			
In current accounts in local currency		1,266,783	630,750
In current accounts in foreign currency		541,184	521,808
Term deposit receipt	13.1	734,000	384,000
		2,541,967	1,536,558
Islamic			
In current account in local currency		109,826	77,469
In current account in foreign currency		54,836	151,109
Cash in hand		1,473	-
		2,708,102	1,765,136

13.1 Term Deposit Receipt include:

- 13.1.1** Investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million (June 30, 2023: 384 million) having mark-up of 18.15% (2023 : 19.85%). The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.
- 13.1.2** Investment in Term Deposit Receipt (TDR) amounting to Rs. 50 million (June 30, 2023: NIL) having mark-up of 18.50%. The TDR was placed against a bank guarantee submitted to the ETO.
- 13.1.3** Investment in Term Deposit Receipt (TDR) amounting to Rs. 150 million (June 30, 2023: NIL) having mark-up of 19.30%.
- 13.1.4** Investment in Term Deposit Receipt (TDR) amounting to Rs. 150 million (June 30, 2023: NIL) having mark-up of 18.50%.

14. SHARE CAPITAL

Authorized share capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
500,000,000	500,000,000	Ordinary shares of Rs. 10 each	5,000,000	5,000,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
30,000	30,000	Fully paid ordinary shares of Rs. 10 each issued for cash	300	300
417,716,700	417,716,700	Fully paid ordinary shares of Rs. 10 each issued against transfer of net assets	4,177,167	4,177,167
17,253,300	17,253,300	Fully paid ordinary shares of Rs. 10 each issued as right shares	172,533	172,533
435,000,000	435,000,000		4,350,000	4,350,000

- 14.1** As at June 30, 2024, International Industries Limited (The Holding Company) and Sumitomo Corporation (an associated company) held 245,055,543 (2023: 245,055,543) and 39,477,657 (2023: 39,477,657) ordinary shares respectively of Rs. 10 each.

15. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Note	2024	2023
	(Rupees in '000)	
Freehold land		
Revalued amount as at June 30	1,360,663	1,360,663
Revaluation during the year	-	-
Balance as at June 30	1,360,663	1,360,663
Buildings on freehold land		
Balance at beginning of the year	1,355,434	1,479,032
Revaluation during the year	-	-
Transferred to retained earnings in respect of incremental depreciation charged during the year	(123,598)	(123,598)
Balance at end of the year	1,231,836	1,355,434
Related deferred tax liability	(480,416)	(528,619)
Balance at end of the year - net of deferred tax	2,112,083	2,187,478

15.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

15.2 Movement in related deferred tax liability

2024	2023	
(Rupees in '000)		
Balance at beginning of the year	528,619	428,919
Tax effect on incremental depreciation transferred to retained earnings	(48,203)	(48,203)
Tax effect on revaluation surplus	-	147,903
Balance at end of the year	480,416	528,619

16 LONG TERM FINANCING - Secured

Note	2024	2023	
	(Rupees in '000)		
CONVENTIONAL			
Long Term Finance Facility (LTFF)	16.1	405,685	655,706
Temporary Economic Refinance Facility (TERF)	16.2	431,377	493,003
Renewable Energy Financing Facility (REFF)	16.3	150,000	-
		987,062	1,148,709
ISLAMIC			
Islamic Long Term Finance Facility (ILTFF)	16.4	329,370	390,027
Less: Deferred Income - Government grant	17	(126,172)	(155,372)
Less: Current portion of long term loan:			
CONVENTIONAL			
Long Term Finance Facility (LTFF)		(219,383)	(254,479)
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
ISLAMIC			
Islamic Long Term Finance Facility (ILTFF)		(63,936)	(61,274)
		(344,944)	(377,378)
		845,316	1,005,986

- 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 from different banks.
- 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 Renewable Energy Financing Facility available to the Company at below-market interest rate for setting up of Solar power project.
- 16.4** 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 from different banks.
- 16.5 Long term finances utilized under mark-up arrangements**

	Sale price (Rupees in '000)	Purchase price (Rupees in '000)	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount	
						2024	2023
<i>Conventional</i>							
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	115,430	240,432
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	94,885	219,904
Allied Bank Limited Assistance for plant and machinery	500,000	578,167	16 half yearly installments 20-Jan-22	20-Jan-32	0.50% over SBP Refinance rate	195,370	195,370
ii) Renewable Energy Finance Facility							
Bank Alfalah Limited	100,000	163,868	16 quarterly installments 29-May-24	29-May-29	3.00% over SBP Refinance rate	100,000	-
Allied Bank Limited	50,000	96,232	16 quarterly installments 28-Jun-24	28-Jun-29	3.00% over SBP Refinance rate	50,000	-
iii) TERF							
National Bank of Pakistan Assistance for plant and machinery	500,000	1,188,140	16 half yearly installments 06-Apr-21	06-Apr-31	1.25% over SBP Refinance rate	431,377	493,003
						987,062	1,148,709
<i>Islamic</i>							
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	329,370	390,027
						329,370	390,027
						1,316,432	1,538,736

- 16.5.1** The above loans are secured against pari passu charge over fixed assets of the Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs. 6,936 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. 38.64 million (2023: Rs. 55.81 million) whereas share of profit paid on Islamic long term finance is Rs. 22.13 million (2023: Rs. 295.20 million).

17. DEFERRED INCOME - GOVERNMENT GRANT	Note	2024	2023
		(Rupees in '000)	
Balance at beginning of the year		155,372	162,156
Deferred grant recognized during the year	17.1	-	9,495
Government grant recognized in income	30	(29,200)	(16,279)
Balance at end of the year		126,172	155,372
Less: current portion of deferred income - Government grant		(27,928)	(28,634)
		98,244	126,738

17.1 This represents grant 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 Supreme court 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 recognised GIDC payable with respect to its captive power plant used for self consumption. This payable has been revalued and recorded at its present value by discounting the future cash flows using three year PKRV rate and has booked (loss) / income of Rs. (5.49) million (2023: Rs. 20.71 million), which has been recorded as other income. The unwinding of the GIDC during the year amounts to Rs. 48.31 million (2023: Rs. 75.31 million).

The Company has not recognized GIDC amounting to Rs. 769 million (2023: Rs. 769 million) pertaining to period from July 1, 2011 to July 31, 2020 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

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

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

	Note	2024	2023
		(Rupees in '000)	
Current portion	20.2	1,248,215	1,045,410
Non current portion		-	148,993
Total		1,248,215	1,194,403
Balance at the beginning of the year		1,194,403	1,139,804
Remeasurement	29	5,493	(20,712)
Recognized during the year	28	48,319	75,311
Payments		-	-
Balance at end of the year		1,248,215	1,194,403

19. DEFERRED TAXATION

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

	Accelerated tax depreciation	Revaluation surplus on buildings	Provision for compensated absences	Unrealized exchange gain	Provision for Infrastructure Cess	Provision for Government levies	Provision for obsolescence against stores and spares	Provision for lease liabilities	Gas Infrastructure Development Cess	Total
	(Rupees in '000)									
Balance at July 1, 2023	2,562,038	528,619	(4,612)	(21,000)	(1,001,868)	(746)	(53,091)	(4,786)	(14,607)	1,989,947
Charge / (credit) to profit or loss and other comprehensive income for the year	391,491	(48,203)	(1,485)	34,016	(497,050)	(782)	(50,473)	(3,275)	(2,824)	(178,585)
Balance at June 30, 2024	2,953,529	480,416	(6,097)	13,016	(1,498,918)	(1,528)	(103,564)	(8,061)	(17,431)	1,811,362
Balance at July 1, 2022	1,845,349	428,919	(3,640)	5,550	(494,953)	(164)	(48,165)	(3,411)	(24,324)	1,705,161
Charge / (credit) to profit or loss and other comprehensive income for the year	716,689	99,700	(972)	(26,550)	(506,915)	(582)	(4,926)	(1,375)	9,717	284,786
Balance at June 30, 2023	2,562,038	528,619	(4,612)	(21,000)	(1,001,868)	(746)	(53,091)	(4,786)	(14,607)	1,989,947

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 asset / (liability) is recorded at 100% (2023:72.02%) of the total deferred tax liability based on the changes in Finance Act 2024, according to which export sales will not be treated as Final Tax Regime, instead the export sales will now fall under Minimum Tax Regime.

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 tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

20. TRADE AND OTHER PAYABLES

	Note	2024	2023
		(Rupees in '000)	
Trade creditors	20.1	5,670,585	4,238,059
Accrued expenses	20.2	2,689,112	2,561,331
Provision for Infrastructure Cess	20.3.1	3,853,646	3,212,439
Workers' Welfare Fund	20.4	241,391	251,386
Workers' Profit Participation Fund	20.6	252,342	277,331
Deferred income - Government grant	17	27,928	28,634
Provision for Government levies	20.7	4,717	3,094
Short term compensated absences		18,823	19,140
Others		63,872	121,560
		12,822,416	10,712,974

20.1 These include payable to Sumitomo Corporation, related party of the Company, amounting to Rs. 4,831 million (2023: Rs. 3,053 million).

20.2 This include current portion of provision for Gas Infrastructure Development Cess amounting to Rs. 1,248.21 million (2023: Rs. 1,045.41 million) and provision against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs. 544.96 million (2023: Rs. 717.82 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 100% of the fee amount involved and furnishing a guarantee / security for the balance amount. Through Sindh Finance Act 2015 and 2016, the legislation had increased the rate to 1.25%.

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 1, 2021, the Supreme Court granted a stay order against the operation of the order of SHC dated June 4, 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. 4,032.5 million (2023: Rs. 3,222.5 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.

Subsequent to the year end, the rate has been increased to 1.85% through Sindh Finance Act, 2024.

20.3.1 Provision for Infrastructure Cess

This represents provision against 100% amount guaranteed to Excise and Taxation Officer (refer 20.3 note).

	2024	2023
	(Rupees in '000)	
Balance at beginning of the year	3,212,439	2,596,977
Provided during the year	641,207	615,462
Balance at end of the year	3,853,646	3,212,439

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	Note	2024	2023
		(Rupees in '000)	
Balance at beginning of the year		251,386	330,148
Charge on workers' welfare fund	29	94,945	73,733
Payment during the year		(104,940)	(152,495)
Balance at end of the year		241,391	251,386

20.6 Workers' Profit Participation Fund		2024	2023
		(Rupees in '000)	
Balance at beginning of the year		277,331	430,147
Allocation for the year	29	252,348	277,332
Interest on workers' profit participation fund	28	1,319	4,171
Payment during the year		(278,656)	(434,319)
Balance at end of the year		252,342	277,331

20.7 Provision for Government levies - stamp duty		2024	2023
		(Rupees in '000)	
Balance at beginning of the year		3,094	778
Provided during the year		3,600	3,600
Payment during the year		(1,977)	(1,284)
Balance at end of the year		4,717	3,094

21. CONTRACT LIABILITIES

Note	2024	2023
	(Rupees in '000)	
Sales commission payable	29,253	11,123
Advances from customers - unsecured	1,805,253	1,805,484
	1,834,506	1,816,607

21.1 100% (2023: 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	2024	2023	
	(Rupees in '000)		
Conventional			
Short term finance under mark-up arrangement	22.1	-	10,521
Running finance under Export Finance Scheme (Rupee Based Discounting)	22.2	110,288	-
Running finance under Export Refinance Scheme	22.3	3,350,000	3,050,000
Islamic			
Short term finance under Running Musharakah	22.4	-	273,704
Running finance under Islamic Export Refinance Scheme	22.5	100,000	-
		3,560,288	3,334,225

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 22.09% to 22.52% (2023: 21.75% to 22.20%) per annum.

22.2 The Company has availed this year short term running finance facility under Export Finance Scheme (Rupee Based Discounting) of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 2.00% per annum.

22.3 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 17.25% to 17.50% (2023: 16.50% to 17.75%) per annum. This facility matures within six months and is renewable.

22.4 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 21.99% to 22.43% (2023: 22.18% to 22.48%) per annum.

22.5 The Company has availed this year short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 17.50% per annum. This facility matures within six months and is renewable.

22.6 The unavailed facilities as at June 30, 2024 from the above borrowings amounted to Rs. 23,289 million (2023: Rs. 25,826 million).

22.7 The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 40,000 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
<p>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.</p> <p>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 quota 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 material on case to case basis.</p>	Sindh High Court	I.S.L vs Federation of Pakistan/ Director IOCO / The Chief Collector (South)	November 4, 2019

23.2 Commitments

- 23.2.1** Capital expenditure commitments outstanding as at June 30, 2024 amounted to Rs. Nil (2023: Rs.Nil).
- 23.2.2** Commitments under Letters of Credit for raw materials and spares as at June 30, 2024 amounted to Rs. 12,106.10 million (2023: Rs. 8,983.51 million).
- 23.2.3** The facilities for opening letters of credit and guarantees from banks as at June 30, 2024 amounted to Rs. 40,500 million (2023: Rs. 38,300 million) and Rs. 10,184 million (2023: Rs. 8,284 million) respectively of which unutilised balance at period end amounted to Rs. 28,393.90 million (2023: Rs. 29,316 million) and Rs. 1,590 million (2023: Rs. 7,794.97 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, 2024 amounted to Rs. 4,510 million (2023: Rs. 2,152 million).

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

Note	2024	2023
	(Rupees in '000)	
Sale of goods less returns:		
Local	63,627,537	76,772,842
Export	16,673,513	12,454,646
	80,301,050	89,227,488
Sales tax	(9,752,204)	(11,390,742)
Trade discounts	(649,068)	(411,128)
Sales commission	(600,145)	(672,284)
	(11,001,417)	(12,474,154)
	69,299,633	76,753,334

24.1 The domestic sales revenue includes Rs.7,394.30 million (2023: Rs. 9,928.70 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:

	2024	2023
	(Rupees in '000)	
Primary geographical markets		
Local	52,626,118	64,298,688
Asia	3,657,686	3,852,369
Europe	2,422,722	568,722
Australia	377,930	209,436
North and South America	10,192,581	7,730,921
Africa	22,596	93,198
	69,299,633	76,753,334
Major product lines		
Cold rolled	23,099,385	31,196,823
Galvanized product	43,275,885	42,478,677
By-product	2,924,363	3,077,834
	69,299,633	76,753,334

25. COST OF SALES

Raw material consumed

Manufacturing overheads

Salaries, wages and benefits	25.1	943,832	774,672
Electricity, gas and water		2,480,606	1,627,410
Insurance		44,201	36,191
Security and janitorial		62,824	42,170
Depreciation	4.1.1	1,530,085	1,477,909
Amortisation	6	1,605	370
Stores and spares consumed		169,998	153,108
Provision / (reversal) for net realisable value written down against stores & spares		99,407	(7,819)
Provision for capital spares		104,308	27,467
Repairs and maintenance		189,848	186,477
Postage, telephone and stationery		6,344	6,659
Vehicle, travel and conveyance		90,458	89,632
Internal material handling		25,457	30,285
Environment management expense		7,716	6,486
Computer stationery and software support fees		99,872	86,561
Sundries		34,460	19,446

Work-in-process

Opening stock		470,796	5,315,424
Closing stock	8	(1,560,840)	(470,796)

Cost of goods manufactured

Finished goods, scrap material and by-products:

Opening stock		7,333,948	7,542,380
Closing stock	8	(7,961,258)	(7,333,948)

Note	2024	2023
(Rupees in '000)		
	56,552,774	56,535,574
	5,891,021	4,557,024
	62,443,795	61,092,598
	470,796	5,315,424
	(1,560,840)	(470,796)
	(1,090,044)	4,844,628
	61,353,751	65,937,226
	7,333,948	7,542,380
	(7,961,258)	(7,333,948)
	(627,310)	208,432
	60,726,441	66,145,658

25.1 These include Rs. 19.93 million (2023: Rs. 18.05 million) in respect of contribution to provident fund, Rs. 27.57 million (2023: Rs. 25.22 million) in respect of gratuity fund and Rs. 8.95 million (2023: Rs. 11.49 million) in respect of compensated absences.

26. SELLING AND DISTRIBUTION EXPENSES

Salaries, wages and benefits	26.1	156,045	125,068
Rent, rates and taxes		-	776
Electricity, gas and water		5,746	5,012
Insurance		9,476	5,585
Depreciation	4.1.1	18,195	14,054
Depreciation on right-of-use assets	5.1.1	16,500	16,393
Postage, telephone and stationery		9,405	6,820
Vehicle, travel and conveyance		51,600	45,795
Freight and forwarding		1,723,025	671,864
Sales promotion		90,911	93,789
Others		9,571	12,068

Note	2024	2023
(Rupees in '000)		
	156,045	125,068
	-	776
	5,746	5,012
	9,476	5,585
	18,195	14,054
	16,500	16,393
	9,405	6,820
	51,600	45,795
	1,723,025	671,864
	90,911	93,789
	9,571	12,068
	2,090,474	997,224

26.1 These include Rs. 5.09 million (2023: Rs. 4.47 million) in respect of contribution to provident fund, Rs. 2.46 million (2023: Rs. 2.13 million) in respect of gratuity fund and Rs. Nil (2023: Rs. 0.48 million) in respect of compensated absences.

27. ADMINISTRATIVE EXPENSES

	Note	2024	2023
(Rupees in '000)			
Salaries, wages and benefits	27.1	287,469	225,882
Rent, rates and taxes		330	29
Electricity, gas and water		2,992	2,425
Insurance		2,912	2,196
Depreciation	4.1.1	25,037	16,456
Depreciation on right-of-use assets	5.1.1	3,493	3,493
Security and janitorial services		6,310	1,183
Printing and stationery		1,343	2,493
Computer stationery and software support fees		236	133
Postage and communication		2,512	1,146
Vehicle, travel and conveyance		42,433	18,265
Legal and professional charges		69,008	83,075
Certification and registration charges		4,160	4,440
Directors' fee		8,200	9,600
Others		16,304	18,241
		472,739	389,057

27.1 These include Rs. 9.22 million (2023: Rs. 7.69 million) in respect of contribution to provident fund, Rs. 7.00 million (2023: Rs. 5.45 million) in respect of gratuity fund.

28. FINANCE COST

	Note	2024	2023
(Rupees in '000)			
Conventional			
- Interest on long term financing		65,987	68,458
- Interest on short term borrowings		562,497	1,577,341
		628,484	1,645,799
Islamic			
- Mark-up on long term financing		21,422	269,180
- Mark-up on short term borrowings		73,808	207,872
		95,230	477,052
Bank charges		77,507	54,124
Unwinding of Gas Infrastructure Development Cess		48,319	75,311
Interest on Workers' Profit Participation Fund		1,319	4,171
Interest on lease liabilities	5.2.1	5,229	7,710
		856,088	2,264,167

29. OTHER EXPENSES

Note	2024	2023
	(Rupees in '000)	
Auditors' remuneration	4,636	3,507
Donations	52,350	55,660
Workers' Welfare Fund	94,945	73,733
Workers' Profit Participation Fund	252,348	277,332
Loss on remeasurement of Gas Infrastructure Development Cess	5,493	-
Export Realization charges	37,706	32,226
Exchange loss	141,452	1,479,155
	588,930	1,921,613

29.1 Auditors' remuneration

	2024	2023
	(Rupees in '000)	
Annual audit fee	2,500	2,000
Half yearly review	1,000	700
Certifications for free float, CDC and Code of Corporate Governance	500	350
Out of pocket expenses	636	457
	4,636	3,507

29.2 Donations

29.2.1 Donation to the following organization exceed 10% of total amount of donations made or Rs.1 million, whichever is higher.

	2024	2023
	(Rupees in '000)	
Amir Sultan Chinoy Foundation	25,000	35,000
Aga Khan Education Services Pakistan	10,000	-
The Citizens Foundation	9,600	7,400
	44,600	42,400

29.2.2 Donations to entities in which directors are interested are as follows:

Name of Director	Interest in Donee	Name and address of the Donee	Amount Donated	
			2024	2023
			(Rupees in '000)	
Mr. Samir M. Chinoy	Chairman	Amir Sultan Chinoy Foundation 101, Beaumont Plaza, 10 Beaumont Road, Karachi.	25,000	35,000
Spouse of Mr. Samir M. Chinoy	Director	Karwan-e-Hayat 101, Al-Noor Arcade, Near Qamar-ul-Islam Mosque, Khayaban-e-Jami, Karachi	-	2,000
			25,000	37,000

30. OTHER INCOME

	Note	2024	2023
(Rupees in '000)			
Income from non-financial assets			
Loss from power generation	30.1	(226,171)	(27,690)
Gain on sale of property, plant and equipment		16,854	34,977
Rental income		2,981	2,901
Gain on remeasurement of Gas Infrastructure Development Cess		-	20,712
Exchange Gain on FE Loan		271	-
Others		17,560	19,307
		(188,505)	50,207
Income from financial assets			
Income on bank deposit - conventional		282,846	89,310
Income on bank deposit - islamic		9,843	-
Government grant	17	29,200	16,279
		321,889	105,589
		133,384	155,796

30.1 Loss from power generation

		2024	2023
(Rupees in '000)			
Revenue		293,290	406,773
Less : Sales tax		(44,773)	(60,127)
		248,517	346,646
Cost of electricity produced:			
Salaries, wages and benefits	30.1.1	35,125	28,045
Electricity, gas and water		1,997,349	817,349
Depreciation	4.1.1	253,673	167,833
Stores and spares consumed		36,321	28,288
Repairs and maintenance		67,542	45,618
Sundries		2,669	1,695
		2,392,679	1,088,828
Less: Self consumption		(1,917,991)	(714,492)
		474,688	374,336
Loss from power generation		(226,171)	(27,690)

30.1.1 These include Rs. 0.84 million (2023: Rs 0.74 million) in respect of contribution to provident fund, Rs. 1.19 million (2023: Rs. 1.20 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. LEVIES

	Note	2024	2023
(Rupees in '000)			
Final tax	31.1	(223,913)	(167,362)

31.1 These represent final tax under section 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

32. INCOME TAX EXPENSE

	2024	2023
	(Rupees in '000)	
Current		
for the year	(1,550,886)	(1,706,181)
for prior years	531,119	346,217
	(1,019,767)	(1,359,964)
Deferred tax	200,149	(145,295)
	(819,618)	(1,505,259)

32.1 Relationship between income tax expense and accounting profit

	Note	2024	2023	2024	2023
		(Effective tax rate %)		(Rupees in '000)	
Profit before levies and income tax				4,698,345	5,191,411
Tax at the enacted tax rate		(29.00)	(29.00)	(1,362,520)	(1,505,509)
Effect of super tax		(9.80)	(9.36)	(460,312)	(485,789)
Effect of income under final tax regime		3.25	2.30	152,784	119,657
Effect of exempt income		3.12	3.75	146,799	194,905
Effect of tax credit		0.43	0.20	20,417	10,273
Prior year refund		11.30	6.67	531,119	346,217
Change in normal tax regime ratio		-	(6.79)	-	(352,374)
Others		(1.53)	-	(71,818)	-
Levies and income tax	31 & 32	(22.23)	(32.23)	(1,043,531)	(1,672,621)

33. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2024	2023
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		3,654,814	3,518,790
		(Number)	
Weighted average number of ordinary shares outstanding during the year	14	435,000,000	435,000,000
		(Rupees)	
Earnings per share - basic and diluted		8.40	8.09

33.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2024 and 2023.



34. CASH GENERATED FROM OPERATIONS

	Note	2024	2023
		(Rupees in '000)	
Profit before levies and income tax		4,698,345	5,191,411
Adjustments for non cash charges & other income			
Depreciation of property, plant and equipment	4.1.1	1,826,990	1,676,252
Depreciation of right of use assets	5.1.1	19,993	19,886
Amortisation of intangible assets	6	1,605	370
Loss / (gain) on remeasurement of Gas Infrastructure Development Cess	29	5,493	(20,712)
Unwinding of Gas Infrastructure Development Cess	28	48,319	75,311
Provision / (reversal) for obsolescence against stores and spares	25	99,407	(7,819)
Provision for obsolescence against capital spares	25	104,308	27,467
Provision for staff retirement benefits	11	39,088	34,003
Provision for compensated absences		8,952	12,516
Income on bank deposits - Conventional	30	(282,846)	(89,310)
Income on bank deposits - Islamic	30	(9,843)	-
Gain on disposal of property, plant and equipment	30	(16,854)	(34,977)
Government grant income	30	(29,200)	(16,279)
Finance cost	28	807,769	2,188,856
		7,321,526	9,056,975
Changes in working capital	34.1	621,361	17,567,923
		7,942,887	26,624,898

34.1 Changes in working capital

	2024	2023
	(Rupees in '000)	
(Increase) / decrease in current assets		
Stores and spares	102,506	(92,801)
Stock-in-trade	(997,290)	12,934,941
Trade debts	(274,787)	(114,367)
Receivable from K-Electric Limited (KE)	(8,852)	16,189
Advances, trade deposits and prepayments	(85,032)	54,933
Sales tax receivable	(99,342)	1,258,864
	(1,362,797)	14,057,759
Increase / (decrease) in current liabilities		
Trade and other payables	1,966,259	3,983,783
Contract liabilities	17,899	(473,619)
	621,361	17,567,923

35. CASH AND CASH EQUIVALENTS

	Note	2024	2023
(Rupees in '000)			
Cash and bank balances	13	2,708,102	1,765,136
Running finance under mark-up arrangement from banks	22	-	(10,521)
Short-term borrowing under Running Musharakah	22	-	(273,704)
Less: Term Deposit Receipts (TDRs)	13	(734,000)	(384,000)
		1,974,102	1,096,911

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
(Rupees in '000)						
Managerial remuneration	39,878	35,290	23,261	17,807	258,125	210,603
Special monthly allowance	13,293	11,763	7,754	5,936	78,479	65,097
Bonus	13,479	8,295	7,862	4,175	74,775	54,461
Retirement benefits	6,645	5,881	2,907	2,341	32,027	24,897
Rent, utilities, leave encashment etc.	19,939	17,645	11,631	8,903	129,063	106,102
Directors' fee	-	-	8,200	9,600	1,119	-
	93,234	78,874	61,615	48,762	573,588	461,160
Number of persons	1	1	8	10	84	68

36.1 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.

36.2 Fee paid to 07 (2023: 07) non-executive directors is Rs. 8.20 million (2023: Rs. 9.60 million) on account of meetings attended by them.

37. 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.

37.1 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.

37.1.1 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	2024	2023
(Rupees in '000)		
- Long term deposit with Central Depository Company of Pakistan Limited	100	100
- Trade debts	9 1,423,286	1,148,499
- Trade deposits	10 15,414	28,494
- Receivable from K-Electric Limited	25,537	16,685
- Bank balances	13 2,708,102	1,765,136
	4,172,439	2,958,914

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. 25.53 million (2023: Rs.16.69 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:

	2024	2023
	(Rupees in '000)	
Domestic	144,819	183,317
Export	1,304,004	981,867
	1,448,823	1,165,184

37.1.2 Impairment losses

The aging of trade debtors and receivable from K-Electric Limited (KE) at the reporting date was as follows:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	1,433,074	-	1,105,732	-
Past due 1-60 days	15,749	-	59,396	-
Past due 61 + days	-	-	56	-
Total	1,448,823	-	1,165,184	-

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	Rating	
		Short Term	Long Term
Habib Bank Limited	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Faysal Bank Limited	VIS	A1+	AA
Bank Al Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AAA
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	P1	A2
Bank Islami Pakistan Limited	PACRA	A-1	AA-
National Bank of Pakistan	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+

37.1.3 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.

37.2 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:

	2024					
	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	1,190,260	(1,469,499)	(228,557)	(167,292)	(960,696)	(112,954)
Short-term borrowings	3,560,288	(3,560,288)	(3,560,288)	-	-	-
Accrued mark-up	138,464	(138,464)	(138,464)	-	-	-
Trade and other payables	5,734,457	(5,734,457)	(5,734,457)	-	-	-
Lease liabilities	29,301	(29,301)	(29,301)	-	-	-
Unpaid dividend	430	(430)	(430)	-	-	-
Unclaimed dividend	7,079	(7,079)	(7,079)	-	-	-
	10,660,279	(10,939,518)	(9,698,576)	(167,292)	(960,696)	(112,954)

	2023					
	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	1,383,364	(1,722,779)	(224,673)	(213,963)	(1,054,909)	(229,234)
Short-term borrowings	3,334,225	(3,334,225)	(3,334,225)	-	-	-
Accrued mark-up	214,651	(214,651)	(214,651)	-	-	-
Trade and other payables	4,359,619	(4,359,619)	(4,359,619)	-	-	-
Lease liabilities	49,285	(49,285)	(49,285)	-	-	-
Unclaimed dividend	1,527	(1,527)	(1,527)	-	-	-
Unclaimed dividend	8,497	(8,497)	(8,497)	-	-	-
	9,351,168	(9,690,583)	(8,192,477)	(213,963)	(1,054,909)	(229,234)

37.2.1 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.

37.2.2 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. As at June 30, 2024, none of the covenants are breached.

37.3 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 approximates fair value owing to credit standing of counterparties and interest payable on borrowings is at market rate.

37.3.1 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:

	2024		2023	
	Rupees	US Dollars	Rupees	US Dollars
	(Amounts in '000)			
Financial assets				
Bank balance	541,184	1,946	672,917	2,351
Trade debts	1,304,005	4,688	981,867	3,431
Financial liabilities				
Trade creditors	(5,098,797)	(18,302)	(3,351,210)	(11,693)
Net exposure	(3,253,608)	(11,668)	(1,696,426)	(5,911)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2024	2023	2024	2023
	(Rupees)			
US Dollars to PKR	283.45	245.59	278.59	286.60

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the US Dollar at 30 June 2024 would have increased / (decreased) the profit by Rs. 250.99 million (2023: Rs. 114.99 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.

37.3.2 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:

	Carrying amount	
	2024	2023
	(Rupees in '000)	
Fixed rate instruments		
Financial liabilities	4,866,432	4,588,736
Variable rate instruments		
Financial liabilities	-	284,225

a) Cash flow sensitivity analysis for variable rate instruments

The Company holds various variable rate financial instruments amounting to Rs. Nil (2023: Rs. 284.23 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 30 June 2024 would have increased / (decreased) profit after tax and equity by Rs. Nil (2023: Rs. 2.02 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.

37.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2024				
	Short Term Borrowings	Long Term Financing	Dividend	Lease Liabilities	Total
	(Rupees in '000)				
Balance as at July 1, 2023	3,532,805	1,399,448	10,024	49,286	4,991,563
Changes from financing cash flows					
Repayment of long term loan	-	(371,598)	-	-	(371,598)
Proceeds from long term loan	-	150,000	-	-	150,000
Lease rentals paid	-	-	-	(25,213)	(25,213)
Addition / re-assessment / termination of leases	-	-	-	-	-
Dividend paid	-	-	(2,177,515)	-	(2,177,515)
Total changes from financing activities	-	(221,598)	(2,177,515)	(25,213)	(2,424,326)
Other changes					
Interest expense	763,450	92,638	-	-	856,088
Interest paid	(837,080)	(66,002)	-	5,229	(897,853)
Deferred government grant recognized	-	(706)	-	-	(706)
Changes in short term borrowings	226,063	-	-	-	226,063
Total loan related other changes	152,433	25,930	-	5,229	183,592
Total equity related other changes	-	-	2,175,000	-	2,175,000
Balance as at June 30, 2024	3,685,238	1,203,780	7,509	29,302	4,925,829

	2023				
	Short term borrowings	Long term financing	Dividend	Lease Liabilities	Total
	(Rupees in '000)				
Balance as at July 1, 2022	17,584,837	4,244,070	10,301	64,942	21,904,150
Changes from financing cash flows					
Repayment of long term loan	-	(3,070,248)	-	-	(3,070,248)
Proceeds from long term loan	-	245,465	-	-	245,465
Lease rentals paid	-	-	-	(23,366)	(23,366)
Addition / re-assessment / termination of leases	-	-	-	-	-
Dividend paid	-	-	(3,262,777)	-	(3,262,777)
Total changes from financing activities	-	(2,824,783)	(3,262,777)	(23,366)	(6,110,926)
Other changes					
Interest expense	1,918,819	345,348	-	-	2,264,167
Interest paid	(1,945,523)	(358,720)	-	7,710	(2,296,533)
Deferred government grant recognized	-	(6,467)	-	-	(6,467)
Changes in short term borrowings	(14,025,328)	-	-	-	(14,025,328)
Total loan related other changes	(14,052,032)	(19,839)	-	7,710	(14,064,161)
Total equity related other changes	-	-	3,262,500	-	3,262,500
Balance as at June 30, 2023	3,532,805	1,399,448	10,024	49,286	4,991,563

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.

37.5 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.

37.6 Financial instruments by categories

	Note	2024	2023
(Rupees in '000)			
Financial assets			
Held at amortized cost			
- Long term deposit with Central Depository Company of Pakistan Limited		100	100
- Trade debts	9	1,423,286	1,148,499
- Trade deposits	10	15,414	28,494
- Receivable from K-Electric Limited		25,537	16,685
- Cash and bank balances	13	2,708,102	1,765,136
		4,172,439	2,958,914
Financial liabilities			
Held at amortised cost			
- Long term financing	16	1,190,260	1,383,364
- Trade and other payables		8,392,342	6,831,118
- Accrued mark-up		138,464	214,651
- Short term borrowings	22	3,560,288	3,334,225
- Contract Liabilities	21	1,834,506	1,816,607
- Unclaimed dividend		7,079	8,497
		15,122,939	13,588,462

38. 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.

39. 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, 2024, 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.

As at June 30, 2024, 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.

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.	The fair value is subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

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:

	2024	2023
	(Rupees in '000)	
Opening net book value	6,338,863	6,583,869
Additions during the year	59,884	22,352
Depreciation for the year	(272,301)	(267,274)
Disposals during the year (at NBV)	-	(84)
Revaluation during the year	-	-
Closing net book value	6,126,446	6,338,863

The Company also carried out fair valuation for the freehold land and buildings through their independent valuer, MYK Associates (Private) Limited, as at June 30, 2024. However, the change was immaterial in the context of these financial statements.

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 approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates.

40 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.

40.1 Transactions with related parties

	Note	2024	2023
(Rupees in '000)			
Holding Company			
Sales		2,467,020	7,275,920
Purchases		15,955	13,158
Rent expense		12,764	11,873
Shared resources cost		202,658	49,908
Reimbursement of expenses		11,531	17,040
Corporate, legal, marketing & IT services		-	3,683
Dividend paid		1,225,278	1,837,917
Other related parties			
Sales		5,827,082	3,077,200
Purchases		34,773,949	36,140,734
Dividend paid		197,388	296,082
Rental income	40.4	2,981	2,901
Reimbursement of expenses		12,807	2,411
Services / Donations		27,104	42,526
Key management personnel			
Remuneration		428,148	368,423
Staff retirement funds			
Contribution paid		80,310	101,037
Non-executive directors			
Directors' fee		8,200	9,600

40.2 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 Industries Limited	Holding Company - 56.33% (2023: 56.33%) shareholding
Sumitomo Corporation (incorporated in Japan)	Associated Company - 9.08% (2023: 9.08%) shareholding
Pakistan Cables Limited	Associated Company due to common directorship
IIL Australia PTY Limited (incorporated in Australia)	Associated Company due to common directorship
IIL Americas Inc.	Associated Company due to common directorship
Intermark (Private) Limited	Associated Company due to common directorship
Amir Sultan Chinoy Foundation	Associated Entity due to common directorship
German Pakistan Chamber of Commerce And Industry	Associated Entity due to common directorship
Pakistan Japan Business Forum	Associated Entity due to common directorship
Employers' Federation of Pakistan	Associated Entity due to common directorship
Landhi Association of Trade & Industry	Associated Entity due to common directorship

40.3 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.

40.4 Rental income is recognized on straight line basis over the term of the respective lease agreement.

41. ANNUAL PRODUCTION CAPACITY

	2024	2023
	(Metric Tonnes)	
The production capacity at the year end was as follows:		
Cold rolled steel coil	1,000,000	1,000,000
Cold rolled annealed	454,000	454,000
Cold rolled full hard	46,000	46,000
Galvanising	462,000	462,000
Colour coated	84,000	84,000
The actual production for the year was:		
Cold rolled	95,477	135,270
Galvanising	172,200	154,006
Colour coated	6,185	14,268

41.1 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.

42. OPERATING SEGMENT

42.1 These financial statements have been prepared on the basis of a single reportable segment.

42.2 Revenue from sales of steel products represents 99.64% (2023: 99.55%) of total revenue whereas remaining represent 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.

42.3 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

42.4 79.24% (2023: 86.04%) of gross sales of steel are domestic sales whereas 20.76% (2023: 13.96%) of sales are export / foreign sales.

42.5 Geographic Information

The Company's net revenue from external customers by geographical location is disclosed in note 24.2.

	2024	2023
	(Rupees in '000)	
Domestic Sale	52,626,118	64,298,688
Export Sales	16,673,513	12,454,646
	69,299,631	76,753,334

42.6 Management considers that revenue from its ordinary activities are shariah compliant.

43. 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

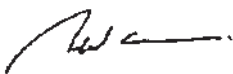
	2024	2023
Number of employees		
Total employees of the Company at the year end	682	688
Average employees of the Company during the year	683	694

44. NON-ADJUSTING EVENTS AFTER REPORTING DATE

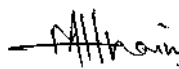
The Board of Directors of the Company in their meeting held on August 20, 2024 has proposed a final cash dividend of Rs. 3.00 per share (2023: Rs. 2.50 per share) amounting to Rs. 1,305 million (2023: Rs. 1,087.5 million) for the year ended June 30, 2024. The approval of the members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on September 24, 2024. The financial statements for the year ended June 30, 2024 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2025.

45. DATE OF AUTHORISATION FOR ISSUE

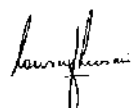
These financial statements were authorised for issue on August 20, 2024 by the Board of Directors of the Company.



Nihal Cassim
Director & Chairman
Board Audit Committee



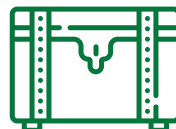
Mujtaba Hussain
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Stakeholders' Information

Made of Strength



ISL's resilience to maintain exceptional standards is driven by the passion of dedicated stakeholders.

Ownership

On June 30, 2024, there were 5,623 members on the record of the Company's ordinary shares.

DIVIDEND PAYMENT

The Board of Directors of the company has recommended 30% final cash dividend in addition to 25% interim making a total of 55% for the year ended June 30, 2024, 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 24, 2024. 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 17, 2024 and shall be subject to the Zakat and Tax deductions as per applicable law.

Financial Calendar		
Year ended June 30, 2024	Approved on Announced on	August 20, 2024 August 21, 2024
Third quarter ended March 31, 2024	Approved on Announced on	April 23, 2024
Half year ended December 31, 2023	Approved on Announced on	January 29, 2024
First quarter ended September 30, 2023	Approved on Announced on	October 24, 2023

DIVIDEND PAID

Interim – Cash (2024)	Approved on Entitlement date Statutory limit up to which payable Paid on	January 29, 2024 February 09, 2024 February 23, 2024 February 22, 2024
Final – Cash (2023)	Approved on Entitlement date Statutory limit up to which payable Paid on	September 26, 2023 September 18, 2023 October 10, 2023 October 09, 2023

TENTATIVE DATES OF FINANCIAL RESULTS 2024-25

For the Period	To be Announced on
1st Quarter	October 24, 2024
2nd Quarter	January 28, 2025
3rd Quarter	April 23, 2025
Annual Accounts	August 20, 2025



Pattern of Shareholding

As of June 30, 2024

No. Of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
1,164	1	100	44,716	0.0103
1,261	101	500	474,472	0.1091
828	501	1,000	745,305	0.1713
1,275	1,001	5,000	3,464,282	0.7964
418	5,001	10,000	3,347,239	0.7695
142	10,001	15,000	1,838,748	0.4227
90	15,001	20,000	1,662,926	0.3823
68	20,001	25,000	1,630,621	0.3749
44	25,001	30,000	1,264,495	0.2907
45	30,001	40,000	1,616,666	0.3716
58	40,001	50,000	2,730,049	0.6276
26	50,001	60,000	1,476,190	0.3394
41	60,001	80,000	2,934,989	0.6747
34	80,001	100,000	3,239,107	0.7446
8	100,001	120,000	877,358	0.2017
9	120,001	140,000	1,191,390	0.2739
13	140,001	160,000	1,975,318	0.4541
7	160,001	180,000	1,194,512	0.2746
15	180,001	200,000	2,911,298	0.6693
17	200,001	300,000	4,453,131	1.0237
9	300,001	400,000	3,160,710	0.7266
11	400,001	500,000	5,344,310	1.2286
4	500,001	600,000	2,122,716	0.488
5	600,001	700,000	3,256,712	0.7487
3	700,001	800,000	2,213,956	0.509
3	800,001	900,000	2,655,331	0.6104
2	900,001	1,000,000	1,977,500	0.4546
4	1,000,001	1,200,000	4,445,227	1.0219
4	1,200,001	1,800,000	6,172,615	1.419
2	1,800,001	2,000,000	3,899,940	0.8965
3	2,000,001	2,800,000	6,903,871	1.5871
1	2,800,001	3,000,000	2,990,000	0.6874
1	3,000,001	3,200,000	3,000,500	0.6898
1	3,200,001	4,000,000	3,411,500	0.7843
1	4,000,001	4,600,000	4,600,000	1.0575
2	4,600,001	10,000,000	18,068,115	4.1536
2	10,000,001	21,000,000	37,170,985	8.5451
1	21,000,001	40,000,000	39,477,657	9.0753
1	40,000,001	250,000,000	245,055,543	56.3346
5,623			435,000,000	100.0000

Categories of Shareholders

As of June 30, 2024

Particulars	No. of Shareholders	No. of Shares held	Percentage
Sponsor / Holding Company	1	245,055,543	56.335
Associated Company	1	39,477,657	9.075
Strategic Investor	1	20,626,500	4.742
Insurance Companies	12	18,266,732	4.199
Directors & Spouses and other Family members	18	15,564,673	3.578
Public and Other Companies	96	13,831,624	3.180
NIT and NBP and Funds	1	9,074,824	2.086
Banks, DFI and NBF	6	8,175,858	1.880
Mutual Funds	32	6,303,685	1.449
Foreign Companies	9	2,715,356	0.624
Retirement Funds and Charitable Trusts	28	2,562,899	0.589
Modarabas and Others	1	25,000	0.006
General Public / Individuals - Local	4,777	47,372,554	10.890
General Public / Individuals - Foreign	640	5,947,095	1.367
Total	5,623	435,000,000	100.000

Key Shareholding

As of June 30, 2024

	No. of Shareholders	No. of Shares held	Percentage
Sponsor / Holding Company			
International Industries Ltd.	1	245,055,543	56.3346
Directors and spouses	9	8,877,000	2.0407
Sponsoring Family Members	6	2,487,673	0.5719
Associated Company			
Sumitomo Corporation	1	39,477,657	9.075
Government Financial Institutions			
NIT, NBP and Funds	1	9,074,824	2.0862
Foreign Corporate Investors			
JFE Steel Corporation	1	20,626,500	4.7417
Others	9	2,715,356	0.6242
		23,341,856	5.3659
Executives	3	90,594	0.0208

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 THE DIRECTORS

During the FY 2023-2024

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, 2023 to June 30, 2024 that were duly disclosed at the Pakistan Stock Exchange Limited:

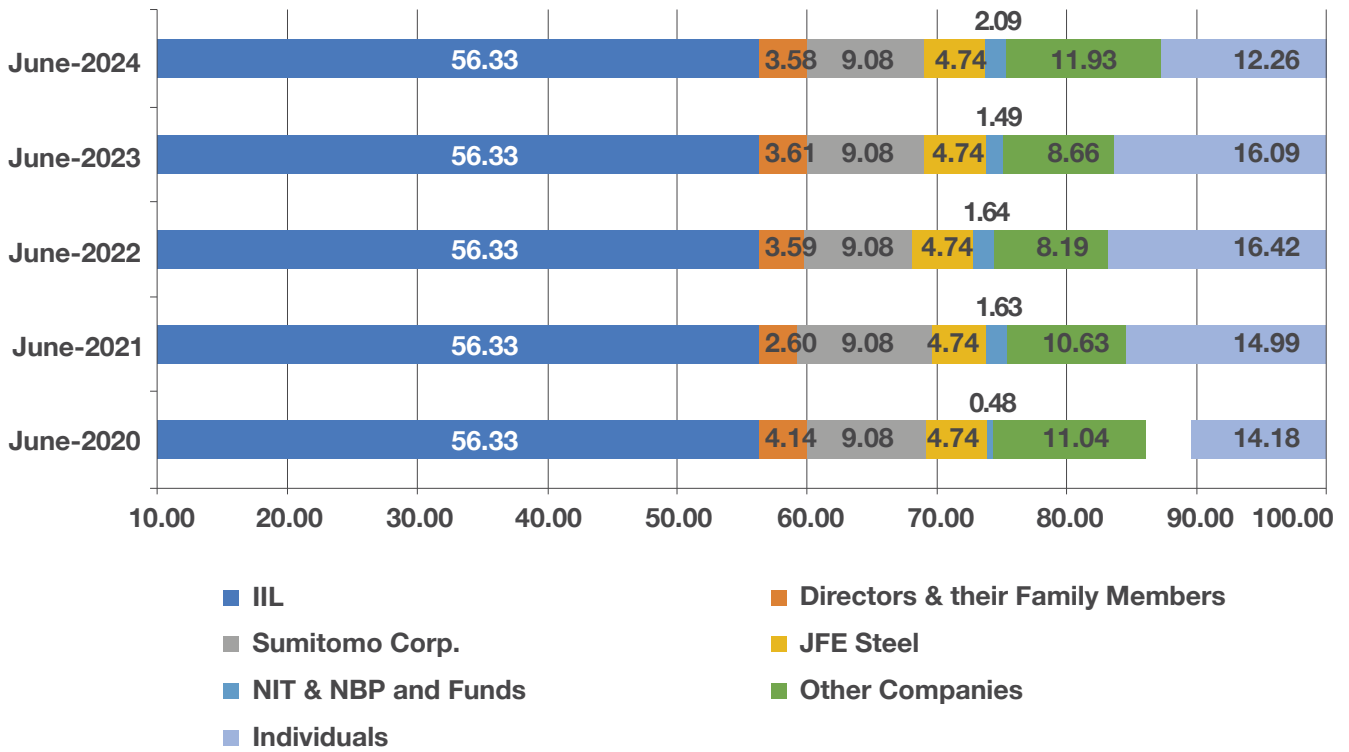
Sold	Purchased
140,000	-

Free Float of Shares

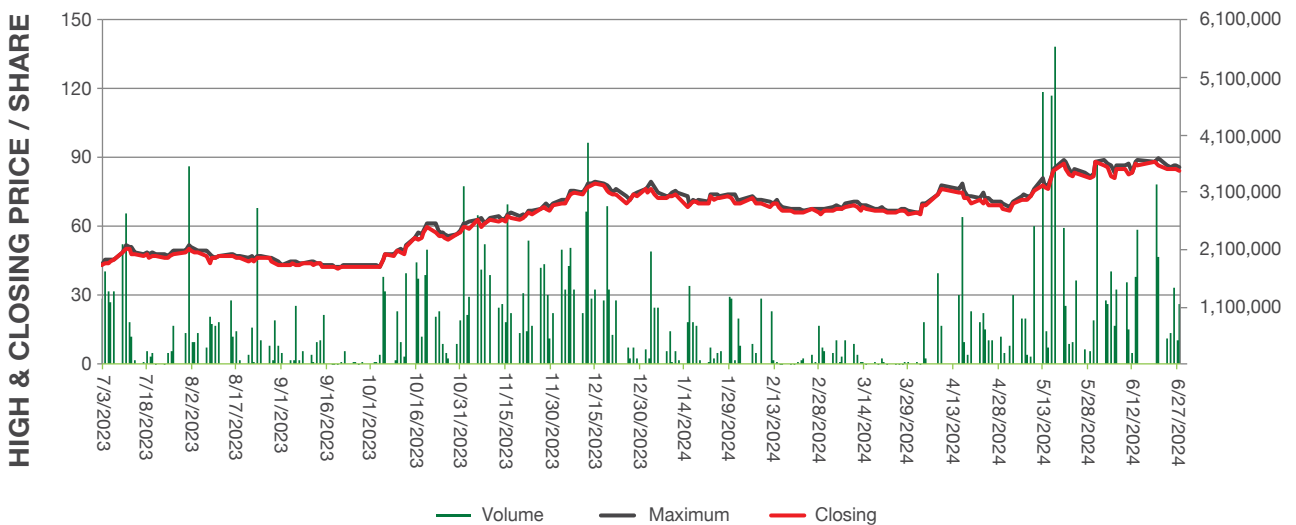
As of June 30, 2024

S - No.	Category of Shareholders	No. of Shares
	Total Outstanding Shares	435,000,000
1	Government Holding as Promoter	-
2	Directors / Sponsors/Senior Management Officer	(15,620,736)
3	Physical Shares	(245,249,568)
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	134,652,039

Shareholders Composition



ISL SHARE PRICES - TREND V/S VOLUME TRADED FY 2023-24



Notice of Annual General Meeting

Notice is hereby given to the Members that the 17th Annual General Meeting of International Steels Limited will be held on September 24, 2024 at 10:30 a.m. at the, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi to transact the following business. Members are encouraged to attend the meeting through video conferencing:

ORDINARY BUSINESS FINANCIAL STATEMENTS

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2024, together with the Reports of the Directors and Auditors thereon.

As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders through QR enable code and weblink which can be viewed using the following link and QR enable code:

<http://www.isl.com.pk/investors/>



DIVIDEND

2. To consider and approve the payment of Rs. 3.00 per share (30%) as the final cash dividend in addition to the 25% interim cash dividend announced and already paid, making a total dividend of Rs. 5.5 per share (55%) for the financial year ended June 30, 2024, as recommended by the Board of Directors.

AUDITORS

3. To appoint statutory auditors of the Company for the year ending June 30, 2025 and fix their remuneration. The retiring Auditors, M/s A. F. Ferguson & 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.

ANY OTHER BUSINESS

4. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

By Order of the Board
International Steels Ltd.

Zohaib Raza Merchant
Company Secretary

Karachi: August 20, 2024

Notes

1. PARTICIPATION IN THE AGM VIA 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 2024" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to 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 the Annual General Meeting through Video Conferencing Facility

1. Folio No. / CDC Investors A/c No./ Sub-A/c No. _____
2. Name of Shareholder : _____
3. Cell Phone Number : _____
4. Email Address : _____
5. No. of Shares held at the 1st day of 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 17, 2024 to September 24, 2024 (both days inclusive). Transfers received in order at the office of the Company's Registrar namely THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, by the close of business on September 16, 2024 will be considered in time for the purpose of determining the entitlement for final cash dividend and to establish the right to attend and vote at the Annual General Meeting.

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 a 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 47 of Companies Regulations, 2024 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) Limited
 - 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 & 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.) Limited. Please ensure an early update of your particulars to avoid any inconvenience. 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 & 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 share

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. FILER AND NON-FILER STATUS

i) The Government of Pakistan through the Finance Act, 2024 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) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

الف: اکم ٹیکس گوشوارے جمع کرانے والے اراکین 15 فیصد
ب: اکم ٹیکس گوشوارے جمع نہ کرانے والے اراکین 30 فیصد

جن اراکین کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیپرز لسٹ (اے ٹی ایل) میں درج نہیں ہیں، قطع نظر اس کے کہ وہ فائلرز ہیں، ان کو مشورہ دیا جاتا ہے کہ وہ اپنے ناموں کو اے ٹی ایل میں درج کروائیں تاکہ مستقبل میں کسی بھی منافع کی ادائیگی میں بے جائیس کٹوتی سے بچا جاسکے۔

(ii) کوئی بھی سوال/مسئلہ/معلومات حاصل کرنے کے لئے، سرمایہ کار حسب ذیل فون نمبرز، ای میل ایڈریس یا پوسٹل ایڈریس کے ذریعے حصص رجسٹرار سے رابطہ کر سکتے ہیں:

M/s. THK Associates (Pvt) Ltd.

C-32، جامی کمرشل اسٹریٹ 2، D.H.A.، فیزا VII، کراچی-75500

فون: +9221-37120628-29، +9221-111-000-322

ای میل: sfc@thk.com.pk

(iii) سی ڈی سی اکاؤنٹس رکھنے والے اراکین کو اپنی متعلقہ تفصیلات سمیت اپنے نیشنل ٹیکس نمبر (NTN) کی تجدید کروانی ہوگی، جب کہ سرٹیفکیٹ رکھنے والے کارپوریٹ ادارے کو اپنے NTN سرٹیفکیٹ کی ایک کاپی حصص رجسٹرار یعنی M/s. THK Associates (Pvt) Ltd. کو بھیجینی پڑے گی۔ حصص یافتگان کو این ٹی این یا NTN سرٹیفکیٹ بھیجتے وقت کمپنی کا نام اور اپنے متعلقہ فولیو نمبر کا حوالہ دینا ضروری ہے۔

۴۔ لازمی معلومات۔ (ای میل، شناختی کارڈ، IBAN اور زکوٰۃ کا اعلان)

الف: کمپنیز ایکٹ 2017 کے سیکشن 119 اور ریگولیشن 47 کمپنیز ریگولیشنز 2024 کے تحت اراکین سے درخواست کی جاتی ہے کہ ہمارے ریکارڈ کی تجدید اور قانون کی عدم تعمیل سے بچنے کے لئے اپنی لازمی معلومات جیسے کہ، تجدید شدہ ڈاک کا پیسہ، ای میل، موبائل/ٹیلیفون نمبر، انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) بشمول قومی شناختی کارڈ کی ایک کاپی فوری طور پر فراہم کریں۔ بصورت دیگر، تمام منافع کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کے ضابطہ 6 کے مطابق روک دیا جائے گا۔

• برائے سرٹیفکیٹ

M/s. THK Associates (Pvt) Ltd.

• برائے CDS حصص

CDC انویسٹر اکاؤنٹ سروسز یا متعلقہ ادارہ

ب: اراکین سے درخواست ہے کہ وہ زکوٰۃ اور عشر آرنڈینس 1980 کے مطابق زکوٰۃ سے استثنیٰ کے لئے ایک اعلامیہ (CZ-50) جمع کروائیں اور اگر پتے میں کوئی تبدیلی ہوئی ہو تو فوری مطلع کریں۔

۵۔ غیر دعویٰ شدہ ڈیویڈنڈ:

حصص یافتگان، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکے ہیں، ان سے درخواست ہے کہ وہ اپنا غیر دعویٰ شدہ ڈیویڈنڈ وصول کرنے یا اس کے حوالے سے معلومات حاصل کرنے کے لئے ہمارے حصص رجسٹرار M/s. THK Associates (Pvt) Ltd سے فوری رابطہ کریں۔

۶۔ ای ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق، پبلک لٹڈ کمپنی کے معاملے میں، نقد میں قابل ادائیگی کوئی بھی ڈیویڈنڈ صرف الیکٹرانک ذریعے سے حقدار حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں بھیجا جائے گا۔

لہذا، اس نوٹس کے ذریعے تمام حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے بینک اکاؤنٹ نمبر (IBAN) اور دیگر تفصیلات کی سنٹرل ڈپازٹری سسٹم میں تجدید کروائیں۔ حصص سرٹیفکیٹ کی صورت میں رکھنے والے ممبران برائے کرم مستقبل میں کسی بھی قسم کی تکلیف سے بچنے کے لئے اپنے موجودہ بینک اکاؤنٹ کی تفصیلات ہمارے حصص رجسٹرار، M/s. THK Associates (Pvt) Ltd کے پاس فوری طور پر تجدید یقینی بنائیں۔ ای ڈیویڈنڈ مینڈیٹ فارم منسلک ہے۔

۷۔ سرٹیفکیٹ کو بک انٹری فارم میں تبدیل کرنا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام رجسٹرڈ کمپنیز کو کمپنیز ایکٹ 2017 کے آغاز کی تاریخ سے چار سال کی مدت کے اندر اپنے سرٹیفکیٹس کی بک انٹری کی صورت میں تبدیل کروانے کی تاکید کی گئی ہے۔

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے اپنے سرکلر نمبر CSD/ED/Misc. 2016 639-640 بتاریخ 26 مارچ 2021 کے ذریعے تمام لسٹڈ اداروں کو عندیہ دیا ہے کہ وہ اپنے ایسے اراکین سے رجوع کریں جن کے پاس ابھی تک سرٹیفکیٹ کی شکل میں حصص موجود ہیں تاکہ وہ اپنے حصص بک انٹری کی صورت میں تبدیل کروا سکیں۔

ہم یہاں انٹرنیشنل اسٹیبلز لمیٹڈ کے ایسے تمام اراکین سے درخواست کرتے ہیں جو حصص سرٹیفکیٹ رکھتے ہیں کہ وہ اپنے حصص جلد از جلد بک انٹری کی صورت میں تبدیل کروائیں۔ انہیں سینٹرل ڈپازٹری سٹم میں اکاؤنٹ کھولنے کے لئے سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ یا پاکستان اسٹاک ایکسچینج کے کسی بھی فعال رکن/اسٹاک بروکر سے رابطہ کرنے کا مشورہ دیا جاتا ہے تاکہ حقیقی حصص سرٹیفکیٹس بک انٹری کی صورت میں تبدیل کئے جاسکیں۔

اراکین کو مطلع کیا جاتا ہے کہ بک انٹری کی صورت میں حصص رکھنے کے متعدد فوائد ہیں جن میں شامل ہیں:

- حصص کی محفوظ اور آسان تحویل
- باآسانی قابل تجارت اور قابل منتقلی
- خرابی، نقصان یا چوری کا کوئی خطرہ نہیں
- کھاتے کے اندراج کی شکل میں حصص کی منتقلی پر کوئی اسٹیپ ڈیوٹی نہیں۔
- بلا کاوٹ بونس یا رائٹ شیئرز کی ادائیگی

ہم ایک بار پھر کمپنی کے اراکین کو تنبیہ کرنا چاہتے ہیں کہ وہ اپنے بہترین مفاد میں اپنے حقیقی حصص جلد از جلد بک انٹری کی صورت میں تبدیل کروائیں۔

۸۔ فانکر اور نان فانکر کی حیثیت

(i) حکومت پاکستان کی جانب سے فنانس ایکٹ 2024 کے ذریعے انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت رجسٹرڈ اداروں کی جانب سے ڈیویڈنڈ کی ادائیگیوں پر ود ہولڈنگ ٹیکس کے لئے حسب ذیل شرائط تجویز کی گئی ہیں۔

۱۔ ویڈیو کانفرنسنگ کی سہولت کے ذریعے اجلاس میں شرکت:

ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کرنے میں دلچسپی رکھنے والے حاملین حصص سے درخواست کی جاتی ہے کہ وہ مندرجہ معلومات کو انٹرنیشنل اسٹیلو لمیٹڈ کے سالانہ اجلاس عام 2024 کی رجسٹریشن کے عنوان کے ساتھ اپنی تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ کے دونوں اطراف کی کاپی کے ساتھ investors@isl.com.pk پر ای میل کریں۔ ویڈیو لنک اور لاگ ان کی تفصیلات صرف ان اراکین کو بھیجی جائیں گی جن کی ای میل تمام مطلوبہ تفصیلات کے ساتھ سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوئی ہو۔

ویڈیو کانفرنسنگ کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لئے رجسٹریشن

- ۱۔ فولیو نمبر/CDC سرمایہ کار کا اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر: _____
- ۲۔ شیئرز ہولڈر کا نام: _____
- ۳۔ سیل فون نمبر: _____
- ۴۔ ای میل ایڈریس: _____
- ۵۔ سالانہ جنرل میٹنگ میں شرکت کا حق محفوظ رکھنے کے لئے بک کلوڑ کے پہلے دن کے حصص کی تعداد: _____

ج: سی ڈی سی اکاؤنٹ ہولڈرز کو مزید درج ذیل رہنما ضوابط پر عمل کرنا ہوگا، جیسے کہ 26 جنوری 2000 کو پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے ذریعہ جاری کردہ سرکلر 1 میں بیان کیا گیا ہے۔

حصص یافتگان سالانہ اجلاس عام کے ایجنڈے کے لئے اپنے تبصرے اور سوالات ای میل investors@isl.com.pk پر بھیج سکتے ہیں۔

۲۔ حصص منتقلی کھاتوں کی بندش

(i) سالانہ اجلاس عام میں شرکت کے لئے الف: انفرادی سطح پر، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی سیکورٹیز اور رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر اپنی شناخت کا ثبوت پیش کرے گا۔ ب: کارپوریٹ ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور نامزد شخص کے دستخط کا نمونہ ساتھ پیش کیا جائے گا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

کپنی کے حصص کی منتقلی کے کھاتے مورخہ 17 ستمبر 2024 تا 24 ستمبر 2024 (بشمول دونوں ایام) بند ہیں گے۔ 16 ستمبر 2024 کو کاروبار کے اختتام تک کپنی کے رجسٹرار M/s. THK Associates (Pvt) Ltd. کے دفتر یعنی پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، ڈی ایچ اے فیڑ VII، کراچی-75500 پہنچانے کے مطابق موصول ہونے والی درخواستوں کو حتمی نقد منافع کی منتقلی، سالانہ اجلاس عام 2024 میں شرکت اور ووٹ دینے کا مجاز تسلیم کیا جائے گا۔

۳۔ سالانہ اجلاس عام میں شرکت اور نمائندے کی تقرری

(ii) تقرری برائے نمائندگی الف: انفرادی سطح پر، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں وہ مذکورہ بالا قواعد کے مطابق نمائندگی فارم جمع کروائیں گے۔ ب: اصل مالکان اور نمائندے کے قومی شناختی کارڈ کی تصدیق شدہ کاپیاں نمائندگی کے فارم کے ساتھ پیش کی جائیں گی۔ نامزد شدہ نمائندہ اجلاس عام میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ پیش کرے گا۔

الف: سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا حقدار رکن کسی دوسرے رکن کو اپنی طرف سے شرکت کرنے بولنے اور ووٹ دینے کے لیے اپنا نمائندہ (پراسی) مقرر کرنے کا حقدار ہے۔ ب: نمائندگی، پاور آف اٹارنی یا دیگر اختیارات کا تقرر کرنے کے لئے ایک دستخط شدہ اور نوٹری پبلک سے تصدیق شدہ دستاویز اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کپنی کے رجسٹری آفس میں لازمی جمع کروا دیا جائے۔ نمائندگی (پراسی) کا فارم منسلک ہے۔

اعلان برائے سالانہ اجلاس عام

برائے اختتام پذیر سال 30 جون 2024

آڈیٹرز

۳۔ اس اجلاس میں 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے معاوضے طے کئے جائیں گے سبکدوش ہونے والے آڈیٹرز M/s.A.F. Ferguson & Co. نے اہل ہونے کے سبب تقرری کے لیے باہمی رضامندی سے طے ہونے والی مشاہرے بمعہ غیر متوقع اخراجات کی عوض خود کو دوبارہ پیش کیا ہے۔

دیگر کارروائی

۴۔ صاحب صدر کی اجازت سے کسی دوسرے مسئلے پر اظہار خیال جو سالانہ اجلاس عام میں بیان کیا جاسکے۔

بحکم بورڈ انٹرنیشنل اسٹیٹو لمیٹڈ
زوہیب رضامرچنٹ
کمپنی سیکریٹری

کراچی 20 اگست 2024

اس اعلان کے ذریعے اراکین کو مطلع کیا جا رہا ہے کہ انٹرنیشنل اسٹیٹو لمیٹڈ کا ستر ہواں سالانہ اجلاس عام 24 ستمبر 2024 کو صبح 10:30 بجے بیچ لکشری ہوٹل، آف ایم ٹی خان روڈ، کراچی میں درج ذیل مقاصد کے لئے منعقد کیا جا رہا ہے۔
اراکین کو ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کی ترغیب دی جاتی ہے۔

عمومی کارروائی

مالیاتی گوشوارے

۱۔ یہ اجلاس 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشوارے اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے تجزیے وصول کرنے، ان پر غور کرنے اور انہیں منظور کرنے کے لئے منعقد کیا جا رہا ہے۔

کمپنیز ایکٹ 2017 کے سیکشن 223 اور ایس آر او نمبر 2023 (I)/389 بتاریخ 21 مارچ 2023 کے تحت کمپنی کی سالانہ رپورٹ بمعہ مالیاتی گوشوارے ادارے کی ویب سائٹ <http://www.isl.com.pk/investors> پر اپ لوڈ کیے جا چکے ہیں، جنہیں درج ذیل QR فعال کوڈ کے ذریعے بھی دیکھا جاسکتا ہے:



منافع

۲۔ 3 روپے فی حصص یعنی 30 فیصد کی بطور حتمی نقد منافع کی ادائیگی یہ غور کرنا اور اسے منظور کرنا جو پیشگی ادا شدہ 25 فیصد عبوری نقد منافع کے علاوہ ہے۔ جس کے تحت مجموعی طور پر 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کل 5.5 روپے فی حصص یعنی 55 فیصد کا مجموعی منافع بنتا ہے، جیسا کہ بورڈ آف ڈائریکٹرز نے تجویز کیا تھا۔

E-Dividend Mandate Form



Shaping Tomorrow

To: _____

Date: _____

Subject: Bank Account Details For Payment Of Dividend Through Electronic Mode

Dear Sir,

I/We/Messrs., _____

Being a/the shareholder(s) of International Steels Limited [the “Company”], hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

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	
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 correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours sincerely

Signature of Shareholder

(Please affix company stamp in case of a corporate entity)

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.



Proxy Form



Shaping Tomorrow

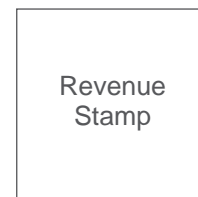
I / We _____
of _____
being a member of INTERNATIONAL STEELS LIMITED and holder of _____
ordinary shares as per Share Register Folio No. _____ and / or CDC Participant I.D.
No. _____ and Sub Account No. _____
hereby appoint _____ of _____
_____ or failing him _____
of _____
as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on
September 24, 2024 and at any adjournment thereof.

Signed this _____ day of _____ 2024

WITNESS:

1 Signature _____
Name _____
Address _____
CNIC / Passport No. _____

Signature



(Signature should agree with the specimen signature registered with the Company)

2 Signature _____
Name _____
Address _____
CNIC / Passport No. _____

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy must be a member of the Company.

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.



میں/ہم _____
 ساکن _____ بحیثیت انٹرنیشنل اسٹیلز لمیٹڈ _____ کے
 رکن و حامل _____ عام حصص برطابق شیئر رجسٹر فو لیو نمبر _____
 اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____
 محترم/محترمہ _____ ساکن _____
 یا بصورت دیگر محترم/محترمہ _____ ساکن _____
 کو اپنی جگہ مورخہ 24 ستمبر 2024 کو منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں/کرتے ہیں۔

دستخط _____ 2024
 گواہ:
 1 دستخط _____
 نام _____
 پتہ _____

ریونیونگٹ چسپاں کریں

دستخط _____

سی این آئی سی یا پاسپورٹ نمبر _____
 2 دستخط _____
 نام _____
 پتہ _____
 سی این آئی سی یا پاسپورٹ نمبر _____

(دستخط کمپنی میں پہلے سے موجود
 نمونے کے مطابق ہونے چاہئیں)

نوٹ: پراکسیز کے مؤثر ہونے کیلئے ضروری ہے کہ ان کی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔ یہ ضروری ہے کہ پراکسی
 کمپنی کارکن ہو۔

سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے گزارش ہے کہ وہ پراکسی فارم پیش کرنے سے قبل اپنے کمپیوٹر انز ڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق
 شدہ نقل اپنے پراکسی فارم کے ساتھ ضرور منسلک کر لیں۔

Glossary

AGM	Annual General Meeting	IFC	International Finance Corporation
API	American Petroleum Institute	IFRIC	International Financial Reporting Interpretation Committee
ATIR	Appellate Tribunal Inland Revenue	IFRS	International Financial Reporting Standards
ATL	Active Tax Payer List	IIL	International Industries Limited
BAC	Board Audit Committee	IPO	Initial Public Offering
BCP	Business Continuity Planning	ISL	International Steels Limited
Board/BOD	Board of Directors	ISO	International Standards Organization
CBA	Collective Bargaining Agreement	IT	Information Technology
CCG	Code of Corporate Governance	ITAT	Income Tax Appellate Tribunal
CDC	Central Depository Company	ITRA	Income Tax Reference Application
CEO	Chief Executive Officer	JV	Joint Ventures
CFO	Chief Financial Officer	KE	Karachi Electric
CIR	Commissioner Inland Revenue	KIBOR	Karachi Interbank Offer Rate
CIT	Commissioner Income Tax	KPMG	Klynveld Peat Marwick Goerdeler
COLA	Cost of Living Allowance	LIBOR	London Interbank Offered Rate
CPEC	China Pakistan Economic Corridor	LSM	Large Scale Manufacturing
CRC	Cold Rolled Coil	LTC	Lost Time Case
CSR	Corporate Social Responsibility	LTIFR	Lost Time Injury Frequency Rate
CTAC	Citizens Trust Against Crime	LTU	Large Taxpayers Unit
CWIP	Capital Work in Progress	M&A	Memorandum and Articles
DBN	Debottlenecking	MAP	Management Association of Pakistan
EBIT	Earnings before Interest and Taxation	MC	Management Committee
EBITDA	Earnings before Interest, Taxation Depreciation and Amortization	MFN	Most Favourable Nation
EC	Executive Committee	MoC	Ministry of Commerce
EFPP	Employees Federation of Pakistan	MT	Metric Ton(s)
EPS	Earning Per Share	NBV	Net Book Value
ERW	Electric Resistance Weld	NEPRA	National Electric Power Regulatory Authority
ETP	Effluent Treatment Plant	NFEH	National Forum for Environment and Health
EY	Ernst Young	NOC	No Objection Certificate
FBR	Federal Board of Revenue	NRV	Net Realizable Value
FPAP	Fire Protection Association of Pakistan	NTC	National Tariff Commission
FTA	Free-Trade Agreement	OHSAS	Occupational Health and Safety Assessment Specification
FTO	Federal Tax Ombudsman	OPEC	Organization of the Petroleum Exporting Countries
FTR	Final Tax Regime	PACRA	Pakistan Credit Rating Agency
FY	Fiscal Year	PAT	Profit after tax
GDP	Gross Domestic Product	PCL	Pakistan Cables Limited
GIDC	Gas Infrastructure Development Cess	PICG	Pakistan Institute of Corporate Governance
GoP	Government of Pakistan	PKR	Pakistan Rupees
HoD	Head of Department	PSX	Pakistan Stock Exchange
HR	Human Resource	Rs.	Pakistani Rupees
HR&RC	Human Resources & Remuneration Committee	SECP	Securities and Exchange Commission of Pakistan
HRC	Hot Rolled Coil	SHC	Sindh High Court
HSE	Health, Safety and Environment	TCF	The Citizens Foundation
IAS	International Accounting Standards	US\$/USD	United States Dollar
IBA	Institute of Business Administration		
ICAP	Institute of Chartered Accountants of Pakistan		
ICMAP	Institute of Cost and Management Accountants of Pakistan		
IFAC	International Federation of Accountants		












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*Mobile apps are also available for download for android and ios devices



HEAD OFFICE

101, Beaumont Plaza, 10, Beaumont Road, Karachi – 75530.
Telephone Numbers : +9221-35680045-54
UAN : +92 21-111-019-019, Fax : 021-35680373
E-mail : info@isl.com.pk

LAHORE OFFICE

Chinoy House, 6 Bank Square, Lahore - 54000.
Telephone Nos: +92 42-37229752-55,
UAN: +92 42-111-019-019
E-mail: lahore@isl.com.pk

FACTORY

399 - 405, Rehri Road, Landhi, Karachi.
Telephone Nos: +92 21-35013104 - 5 Fax : 021-35013108
E-mail: info@isl.com.pk

SALES INQUIRIES

sales@isl.com.pk

CAREERS

careers@isl.com.pk

ISLAMABAD OFFICE

Office No.303-A, 3rd Floor, Evacuee Trust Complex,
Sector F-5/1, Agha Khan Road, Islamabad.
Telephone Nos: +92 51-28230412-3

MULTAN OFFICE

Office No. 708-A, "The United Mall", Plot No. 74,
Abdali Road, Multan.
Telephone Nos: +92 61-4570571

SERVICE CENTER

Plot# LE-73-79, 102-103, 112-118, 125-129
Survey # Nc.98, Near Arabian Country Club,
National Industrial Park, Bin Qasim, Karachi.
Telephone Nos: +92 21-34724184

WEBSITE

www.isl.com.pk



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