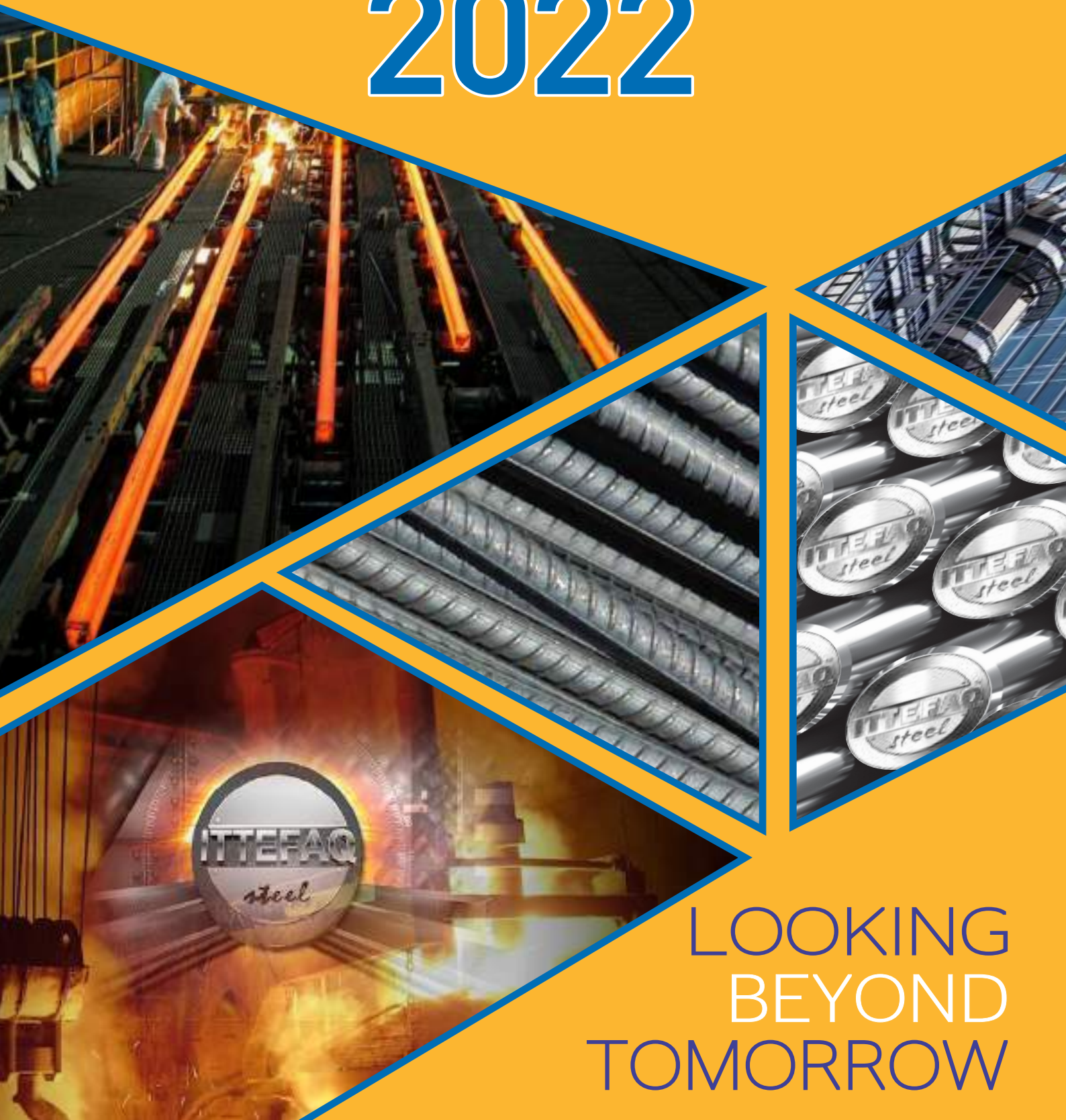




ITTEFAQ IRON INDUSTRIES LTD.

Annual Report
2022



LOOKING
BEYOND
TOMORROW



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CORPORATE INFORMATION

Board of Directors

Mian Muhammad Pervaiz Shafi	Chairman
Shahzad Javed	Chief Executive
Khurram Jamil	Independent Director
Muhammad Mubashir Iqbal	Independent Director
Tayyab Ali	Director
Wajeeha Shahzad	Director
Sobia Irshad	Director

Audit Committee

Muhammad Mubashir Iqbal	Chairman
Imran Khan	Committee Sec.
Khurram Jamil	Member
Tayyab Ali	Member
Sobia Irshad	Member

Company Secretary

Tariq Asgher (FCMA)

Auditors

SARWARS
Chartered Accountants
Office # 12-14, 2nd Floor Lahore Centre
77-D Main Boulevard Gulberg III, Lahore.

Mills

8-KM Manga Raiwind Road
Near Rousa Stop
Tel: 042-35397001-8

Bankers

National Bank of Pakistan
Bank of Punjab
Soneri Bank Ltd.

Hr & R Committee

Muhammad Mubashir Iqbal	Chairman
Tayyab Ali	Member
Wajeeha Shahzad	Member

Chief Financial Officer

Khaliq Sharif Khilji

Share Registrar

M/s. Corplink (Pvt.) Ltd
Share Registrar & Corporate Consultants
Wing Arcade, 1-K, Commercial
Model Town, Lahore
Tel; 042-35916714, Fax; 042-35869037
Email; corplink786@gmail.com

Registered Office

40 B-II, Gulberg III, Lahore
Tel: 042-35765021-26, Fax; 042-35759546
Email; info@ittfaqsteel.com

Company Website

www.ittfaqsteel.com

Legal Advisor

Muhammad Shahzad Bazmi
Advocate High Court
40 B-II, Gulberg III, Lahore
Tel: 042-35765021-26, Fax; 042-35759546
Email: mshehzadbazmi@yahoo.com



ITTEFAQ IRON INDUSTRIES LIMITED



اتفاق میں طاقت ہے



Vision

STATEMENT

To contribute to the society by creating better value, innovative technology, high quality Steel products and superior services.





MISSION STATEMENT

Ittefaq Steel aims to proceed on its path to be the leading provider of quality steel products, through employees empowerment with safe and environmentally sound practice.

STRATEGIC GOALS

Providing Customer Satisfaction by serving with superior quality production of Steel bar, Girder etc at lowest cost. Ensuring Security and Accountability for employees, production facilities and products.

Ensuring efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all our strategic goals and to ensure highest possible value addition to stakeholders.





CORE VALUES

Striving for continuous improvement and innovation with commitment and responsibility; Treating stakeholders with respect, courtesy and competence; Practicing highest personal and professional integrity; Maintaining teamwork, trust and support with open and candid communication; and Ensuring cost consciousness in all decisions and operations.



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the members of ITTEFAQ IRON INDUSTRIES LIMITED will be held on Wednesday, October 26, 2022 at 12:00 noon at registered office, 40 B II, Gulberg-III, Lahore to transact the following business physical and virtually via video-link.

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on Thursday, October 21, 2021.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2022 together with the Directors and Auditors Report thereon.
3. To appoint Auditors for the year ending June 30, 2023 and to fix their remuneration. The present auditor M/s. SARWARS (Chartered Accountants), the retiring auditors, who being eligible, have offered themselves for re-appointment.
4. Any other Business with the permission of the Chairman.

BY ORDER OF THE BOARD

Tariq Asgher
Company Secretary.
Lahore:
October 06, 2022

NOTES:

1. Book closure

Share transfer books of the Company will remain closed from October 20, 2022 to October 26, 2022 (both days inclusive). Physical transfers/ CD'S transaction IDs received in order by the Company's Share Registrar, M/s. Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore, up to the close of business on October 19, 2022 will be treated in time.

2. The individual members or representatives of corporate members of the Company and CDC Account and Participant ID will follow company SOP,s and the under-mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

a) For Attending AGM

In case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations, shall produce proof of his/her identity by showing original Computerized National Identity Card(CNIC), at the time of the meeting.


In case of corporate entity , the Board of Directors, resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b) Attendance of AGM through video-link

As permitted by circular No.5 of 2020 issued by SECP and in the interest of the Company shareholders, directors and employees, the AGM may be participated virtually via video link.

- To attend the AGM through the video link, members are requested to register themselves by providing the following information through email at ittefaqagm@gmail.com at least 48 hours before AGM.

Name of Shareholder	CNIC Number	Folio No/ CDC A/c No	Cell No	Email Address

- 
- Members who are requested , after necessary verification as per the above requirement, will be provided a video link by the Company via email.
 - The login will remain open from 12:00 till the end of the AGM.
 - Members can also share their comments/suggestions on the above agenda on WhatsApp number at 0343-6142857 by email at ittefaqgm@gmail.com

c) For Appointing Proxy

A member entitled to attend and vote at the above meeting may appoint a person/representative as Proxy to attend and vote on his behalf at the Meeting. The instrument of Proxy duly executed in accordance with the Articles of Association of the Company must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. Form of Proxy is available at Company Website.

d) For Zakat

Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance, 1980, for Zakat exemption and advise change in address, if any.

3-CIRCULATION OF NOTICE OF MEETING & ANNUAL ACCOUNTS

With reference to SRO 787 (I/2014 dated 8th September, 2014) issued by SECP, shareholders have an option to receive Annual Audited Financial Statements and Notice of Annual General Meeting through email. Shareholders of the Company are requested to give their consent on prescribed format to our Share Registrar, M/s Corplink (Pvt.) Limited Wings Arcade,1-K Commercial, Model Town, Lahore, to update our record if they wish to receive Annual Audited Financial Statement and Notice of Annual General Meeting through email. The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2022 along with Director and Auditor's Report hereon on its website: www.ittefaqsteel.com. Or scan QR Code. However, if a shareholder, in addition, requests for a hard copy of the Audited Financial Statements, the same shall be provided free of cost within Seven (07) Days of receipt of such request.



4-Unclaimed shares / dividend

Pursuant to section 244 of the of the Companies Act, 2017 for the unclaimed/unpaid dividends, Claims can be lodged by shareholders. The Claim Forms are available on the Company website. Claims Forms must be submitted to the Company's Share Registrar M/s Corplink (Pvt.) Limited Wings Arcade, I-K Commercial, Model Town, Lahore for process and receipt of dividend.

5-Deposits of Physical Shares in to CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

6-Contact us

For any query/information, the shareholders may contact corporate affairs department, 042-35765029, email address or Company's Share Registrars, M/s Corplink (Pvt.) Limited, Wings Arcade, I-K Commercial, Model Town, Lahore. Phone:042-35916714, 042-35916719. Email:corplink@gmail.com

The following statement of material facts under Section 166 (3) of the Companies Act, 2017 is annexed with this Notice of AGM circulated to the shareholders.





COMPANY PROFILE

Ittefaq the name of itself has over the years become synonymous with quality structural steel in Pakistan.

Ittefaq steel is made up of 1000 team-mates whose goal is to take care of the customers. We are accomplished this by being the safest highest quality and most productive steel products company in Pakistan. We are committed to doing this while being cultural and environmental stewards in communities where we live and work. We are succeeding by working together.

The company's attention is focused on customer's satisfaction, development of products, research and quality control however, the main concern since the beginning has been to emphasize on investment in the national manpower, as it is the real capital of the company.

The company's long term investment in a combination of advanced technologies with the highly trained and motivated work force has been the key factor in bringing us to this point in our development. Today, by the grace of ALLAH we are leading a way in heavy industry by providing structure and alloy steel in the form of billet & bars in all type of industrial, residential sectors.


Product Profile

Ittefaq Steel is the leading steel rolling mill in Pakistan with the capability to manufacture international quality products with various standards, such as DIN, ASTM etc. the company has created a name for itself and is known as the pioneer in steel products. Our state of the arts rolling mill can produce structure steel (with close tolerance and the required mechanical properties) and cater to stringent requirements for critical applications. Highly responsive and flexible production capability producing tailor made solution has resulted in Ittefaq Steel become a preferred supplier to key customers of structural steel in the region. Ittefaq steel is also able to minimize the leading time required to provide consistent international quality structural steel angles flat bars, channels, round and girders in a wide range of sizes.

PRODUCTS

DEFORMED BARS

Ittefaq Steel has been shaping steel for the nation for more than 50 Years. Our Deformed steel bars of Grade 40 and Grade 60 are produced in all American and



British Standards Sizes from 10mm to 50mm. The Deformed bars are manufactured in a state of the art fully computerized plant. Well trained staff operates the plant with thorough quality control at all stages of manufacturing process. Ittefaq steel has also introduced international quality ittefaq thermex TMT bars.

GIRDER, T-IRON, I & BEAM, CHANNEL & ANGEL

I-Beam are commonly made of structured steel. A common type of I-Beam is the Rolled Steel joist (RJS). These sections have parallel flanges. Ittefaq Steel is manufacturing I & H-Beam, Girder, T-Iron, Channel and Angle that has no match in strength and durability. All these products are available in different sizes as per your need and convenience.

STEEL BILLETS

Ittefaq Steel has quickly emerged as one of the most productive mills in Pakistan producing high quality industrial steel conforming to international standards industrial section, angles girders, channels, rounds, and special shapes. Throughout our melt shop from steel scrap to billets we maintain strict control over the composition of our steel. Ittefaq steel quality system is based in the key principals of ISO and is focused on production products consistently right, to meet the customer requirements.

PRODUCTION FACILITIES

INDUCTION FURNACES

Melt shop is the heart of steel making operation at ittefaq. Here, steel scrap is transformed in to a semi-finished product (Called a Billet) of correct size and chemistry, in two medium frequency induction furnace each having of 15 ton capacity per heat

LADLE REFINING FURNACES

Ladle Refining Furnace with a capacity of 20 ton per heat is used for refining liquid steel to produce high quality alloy steel. LRF reduces the dissolved gas content and helps in improved quality with better content and helps in improved quality with better recover of Ferro Alloys.



AOD CONVERTER

A.O.D is an improved Air-Oxygen Decarburization (AOD) Converter. At Ittefaq Steel, our AOD has a capacity of 22 tons per heat for making Stainless Steel and low carbon alloy steels.

CONTINUOUS CASTING

The two strand 6/11 radius continuous caster is occupied with special features, for the production of 100mm X 100mm to 200mm x 200mm steel billet.

BAR ROLLING MILL

Fully automatic rolling of 20" straight with auto controlled re-heating furnace has the capacity to roll steel bars from 10mm to 50mm size according to international standards.

STRUCTURAL MILL

A 24" modern structural mill has been recently installed with a rolling capacity of 35-40 ton per hour to produce Ms Joist, Ms Channel, Ms Angle, Ms T-Iron, Round Bar and other shapes of steel structure.


Quality

Ittefaq iron industries limited is committed to supply quality products strictly as per customer requirement. A well equipped metallurgical laboratory has always been need of the day to ensure products being produced as per requisite standards for this purpose company have established a well equipped modern steel testing laboratory to ensure strict quality control at all stages i.e. from induction of raw material to the dispatch of finish products.

Quality assurance laboratory installed is one of the most modern laboratories in Pakistan equipped with the following testing facilities required for quality production of steel and R & D purpose for further advancement in the relevant field.

Emission Spectrometer

A twenty seven channel optical Emission spectrometer for direct analysis of solid metallic samples of ferrous metals with high precision accuracy least inter element



interference particularly for trace element analysis of world famous German Spectro Lab brand has been installed and Commissioned under foreign experts for quick and accurate analysis of results and to print out reports in addition to save analysis data for traceability.

LECO CS – 230 Analyzer

LEO CS – 230 has been installed to determine precisely carbon & sulphur contents of steel and other carbonaceous material over a wide range of composition. The equipment is of German origin and has been designed for more accurate results in quick basis with built in computer to print out analysis report.

Universal Tensile Testing Machine

A modern hydraulic tensile testing machine with maximum load capacity 2000KN is installed with servo control to test various metallic and non-metallic materials for tension, compression, bending and shearing strength. It is capable of testing the characteristic of material on physical and technological properties machine is equipped with computer software and printer. It can control the test procedures as the set programs and can also display record, process and print the test results and can draw test curves automatically in real time. This machine has been recently imported installed and commissioned under the supervision of foreign experts and is presently the biggest capacity computerized machine in any steel industry in Pakistan. Besides this, there is already a 1000-KN capacity machine in the mechanical testing lab to share the load of testing.


Moreover this machine complies with ISO 7500-1, ISO-6892, ISP-15630, ASTMA-730, ASTM E4, ASTM E9, ASTM D 76, JISZ 2841 standards.

Hardness Testing

Two latest model hardness testers have been installed in the laboratory for determining brinell Rockwell and Vickers hardness of ferrous nonferrous and hard alloys with complete measuring range.

Metallography

Metallography is a powerful material investigation tool. Its lead to establish product



reliability and to determine the failure of materials. Keeping in view the vital role of Metallography laboratory has been installed and is under functioning. The laboratory comprises of a metallurgical microscope equipped with reflected illumination which provides bright field, dark field, polarization observation and photography. Moreover a computer system with image analyzer software is attached to the microscope for online microstructure analysis.

Chemical Analysis

In addition to above mentioned testing facilities, there exists a complete and up to date chemical laboratory for analysis of ferrous and Ferro alloys. A dedicated and experienced R & D team is engaged in developing new products and upgrading existing formulations. We develop and produce products to meet the entire satisfaction of the customer. We continuously upgrade the product based in the feedback from end user. Our field representative keep a track of performance of each supply and forward the feedback to our technical experts. Who analyze and make necessary changes, if required. Our valued customers are assured of best quality material.

Sample Preparation

The goal of metallo graphic specimen preparation is to reveal the true structure of the material. True structure enables the analyst to examine a specimen surface that show a precise image of the material. Mechanical preparation (i.e) (cutting, grinding and polishing) is the most common method of preparing samples for microscopic examination.

A complete range of equipment for cutting grinding, fine grinding, cold mounting and embedding, hot compression mounting has been installed in the metallographic laboratory for proper preparation of samples for metallographic.



PROFILE OF DIRECTORS

Mr. Shahzad Javed , Chief Executive Officer / Director

Mr. Shahzad Javed is the son of Mian Muhammad Javed Shafi; one of the most eminent industrialists of the country with a superior vision and dynamic brand of leadership. Mr. Shahzad Javed had held the directorships at , Ittefaq Sugar Mills Ltd., Ittefaq Power Ltd, Kashmir Feeds Ltd and Ittefaq Bio Tech Pvt Ltd.

Mr. Shahzad Javed is instrumental in making strategic decisions for the Company and has led the Company to become one of the leading players in steel sector. He did early education from Aitchison College Lahore Pakistan. Further he did his B.Sc from United State of America. He is an enthusiastic and devoted industrialist.

Mr. Mian Muhammad Pervaiz Shafi, Director

Mr. Pervaiz has a rich and diversified experience of 40 years in iron and steel industry and is renowned as one of the most experienced industrialists of the steel industry. He has also served as the Director of Ittefaq Sugar and Kashmir Sugar Mills Ltd. Under his leadership the Company expects to achieve new heights and can further excel in the steel industry. Mr. Pervaiz is also serving as a member of audit committee of the Company.

Mr. Muhammad Mubashir Iqbal, Director

Mr. Muhammad Mubashir Iqbal is serving as independent director. He holds an MBA degree from the University of Central Punjab and to his credit has a very rich banking and management experience. His banking experience includes senior level positions in Bank Alfalah Ltd, Burj Bank Ltd, Barclays Bank, Standard Chartered and Citibank N.A. Some of his core areas of expertise are people management, revenue generation, large team management & development and sales management. Currently, he is also working as Chief Executive Officer of an agricultural company in addition to heading a real estate company. His presence as an independent member on the Board is going to be a highly valuable addition leading to the over-all better performance of the management in all business segments.



Mr. Khurram Jamil, Director

Mr. Khurram Jamil has earned Master degree from Lahore and having vast experience in dynamic Business sector. He has more than 20-years in various business sector. He is devoted and committed with his business strategies. Under his directorship company expects to achieve new heights and can further excel in the steel industry. He is also member of Audit Committee.

Mrs. Tayyab Ali, Director

He is very energetic intelligent, hardworking, dedicated with his work and task oriented personality. At present, he is also member of Audit Committee and Human Resource Committee.

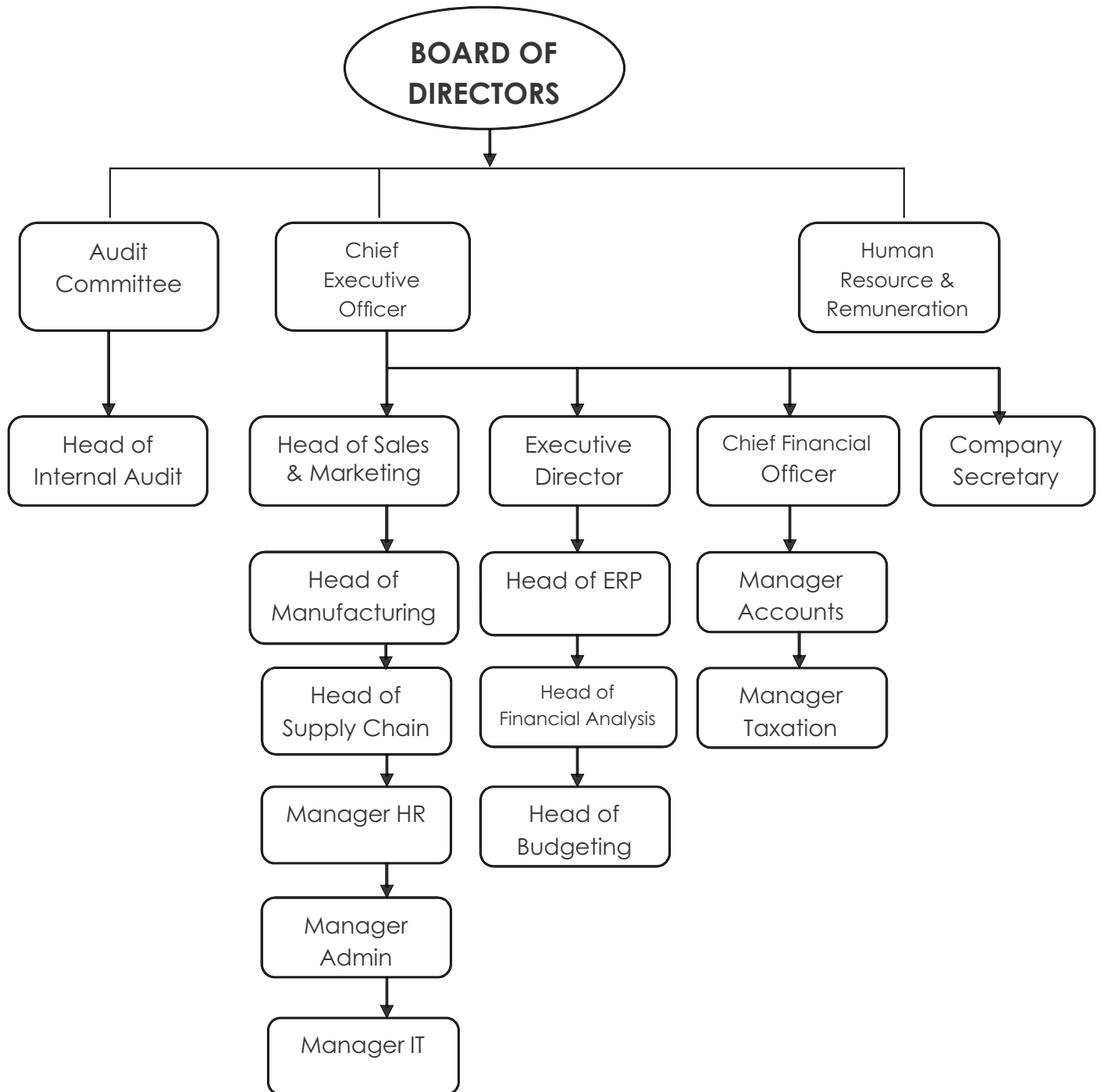
Mrs. Sobia Irshad, Director

Miss Sobia Irshad is graduate from Lahore. Her presence on the board and as a member of Audit Committee has brought numerous initiatives to set high standers and bench mark for the performance of the company, She also aims to work for the improvement of product portfolio of the Company and expanding its customer base.

Mrs. Wajeeha Shahzad, Director

Mrs. Shahzad Javed is a graduate from Kinnaird College Lahore, Apart from serving the Board she supervising the Procurement of raw materials and is also serving as a member of HR & Remuneration Committee.

ORGANOGRAM OF COMPANY





CHARIMAN MESSAGE

Dear Shareholders:

In the financial year ending on June 30, 2022 we have successfully earned profits for our shareholders like the previous year.

During the year our sales volume has increased almost 81% by reaching the level of Rs 11.23 billion as compared to the previous year's figure of Rs 6.20 billion. But due to significant rise in cost of doing business our gross profit has decreased to Rs 509.02 million as compared to the last year's figure of Rs 645.95 million. The company this year has earned net profit of Rs 236.40 million as compared to the last year's net profit of Rs 266.76 million.



These profitable results could not have been achieved without the optimal utilization of resources by the management and the commendable role played by all our staff as a team. It is pertinent to mention here that the company has successfully earned profits in spite of the multiple challenges it had to face throughout the year. In the post-Covid world, Pakistan has been very badly hit by the supply side inflation like almost all other economies of the world. The prices of commodities have been increasing sharply throughout the year. The Pakistan Rupee has lost significant value in comparison with the US dollar leading to a very steep hike in our raw material cost. Throughout the year, the government has also been significantly increasing electricity/fuel rates in addition to hefty increase in taxes. Resultantly, this year our cost of production has much increased as compared to that of the last year. But, in spite of all these challenges, we have successfully earned profits for all our shareholders.

With regard to the future prospects of the steel industry in the country it seems that the coming years would be tough as well due to very negative impact of the destruction caused by recent flash floods on our GDP growth, steep hike in cost of doing business on account of immense increase in raw material costs, very high energy/fuel costs and significant increase in government taxes. But, in spite of all these challenges, we will continue making our best possible efforts to further increase value for our shareholders through most efficient and optimal utilization of our resources.

Finally, I hereby appreciate the praiseworthy roles played by both management and staff for achieving positive results this year in spite of severe challenges at the external front and hope that the company will keep achieving better and better results in the years to come.

CHIEF EXECUTIVE MESSAGE

Dear Shareholders:

This year has proved to be a quite challenging one for national economy in general and for the steel industry in particular due to economic instability and overall political instability in the country throughout the period. In the post-pandemic era, as a global phenomenon, the supply side inflation has hit very hard almost all the economies of the world and Pakistan is no exception in terms of steep increases in the prices of commodities, weakening of the local currency, sharp increase in raw material cost, hefty increase in taxes and steep hike in fuel/energy costs by the government. Resultantly, the cost of doing business has significantly increased across all industries. But, in spite of all the challenges faced by us, we have made all-out efforts to retain our profitability like the previous year and by the grace of Almighty God we have been able to succeed at this front.



This year the net sales of the company increased up to Rs 11.23 billion as compared to the last year's figure of Rs 6.20 billion showing an increase of almost 81% over the period. But, due to the steep rise in the cost of doing business and cost of production, the gross profit of the company has decreased to Rs 509.02 million as compared to the last year's figure of Rs 645.95 million. The company during the year earned net profit of Rs 236.40 million as compared to the previous year's figure of Rs 266.76 million. This year the earning per share is Rs 1.62.

The above-mentioned profitable results have been achieved in spite of the highly volatile political and economic situation in the country in addition to the negative impacts of the supply side inflation as well as of steep hikes in the prices of fuel and electricity by the government. With regard to the future outlook of the steel industry the years ahead would also be tough on account of low GDP growth rate and other macro-economic indicators as well as the havoc wreaked by the recent floods in the country. The government at its end has not yet announced any new major development project in the public sector to promote steel industry in the country. The package for real estate sector has also been withdrawn by the government due to its budgetary/fiscal limitations.

At our end, we have been making untiring efforts throughout the year to create an increase in shareholder value through best possible utilization of resources and most efficient execution of our operations.

In the end, I would like to thank our shareholders for having trust and confidence in us and assure them that we would make all-out and untiring efforts to create value for them. I am also thankful to the management and staff of the company for playing their due role toward achieving best possible results for the company in spite of the prevailing micro- as well as macro-economic constraints.

DIRECTORS' REPORT

It gives me great pleasure in presenting to you the Company's 17th Annual Report and Audited Accounts for the year ended 30th June 2022.





FINANCIAL RESULTS

Key financial results for the year are as follows:

Rupee in Million	Year Ended June 30, 2022	Year Ended June 30, 2021
(Loss)/Profit before tax	222	439
Taxation	11.83	(172)
Other comprehensive (loss)/income	(1.6)	(4.4)
Un-appropriated profit	232	262
Opening retained Earnings	1,331	1,044
Total balance available for appropriation	1,586	1,331
Appropriations: *		
Transfer to general reserves	1,586	1,331
Proposed dividend 0% (2020:0%)	-	-
Earnings per share - basic & diluted (Rs)	1.62	1.85

The directors of the company hereby present a brief summary of the annual report related to our performance during the financial year ending on June 30, 2022.

This year has proved to be a quite challenging one due to a number of factors including significant devaluation of Pakistani Rupee in relation to the US dollar leading to a very steep hike in the costs of our raw material, heavy increases in fuel/energy costs by the government and substantial increase in taxes. But, in spite of all these challenges, we have successfully retained our profitability like the previous year.

Our sales volume this year increased up to Rs 5.024 billion showing an increase of almost 81% as compared to that of the last year. But, as a result of very significant increase in cost of doing business, our gross profit has decreased to Rs 509.02 million as compared to the last year's figure of Rs 645.95 million. This year the company has earned net profit of Rs 236.40 million while earning per share is Rs 1.64. These profitable results have been achieved in spite of significant challenges faced by the company on the external front. The role played by both management and staff throughout the year in retaining the profitability of the company is highly commendable and it is hoped that in future as well this journey of growth will continue along in shape of best possible results/profitability.

The company is fully focused on ensuring best possible and optimal utilization of its resources to increase the value for shareholders on a consistent and sustainable basis. In the years to come our prime target is to enhance our sales to the maximum possible levels in order to achieve higher and higher profitability.



1. Dividend

The Board has not proposed any cash dividend or bonus shares for the year ended June 30, 2022.

2. Role of Chief Executive Officer (CEO)/ Managing Director (MD)

CEO/MD is responsible for execution of the Company's long term strategy with a view to creating value for shareholders. The CEO/MD takes all day to day decisions to accomplish the company's short-and long-term objectives/ plans. He acts as a direct liaison between the Board and the company management. He also communicates on behalf of the company with shareholders, employees, Govt. authorities, other stakeholders and the public. CEO/MD acts as a director, decision maker and leader. The role as a communicator involves interaction with the outside world as well as the organization's management and employees. The role as decision maker involves high level decisions about policy and strategy. As a leader of the company, he motivates employees and inculcates requisite enthusiasm and spirit in them.

3. General

The Directors of Ittefaq Iron Industries Ltd (IIL) are pleased to present the annual report together with the audited financial statements of the company for the year ended 30th June 2022 and the auditors' report thereon.

4. Presentation of financial Statements

Financial statements prepared by the management present the company's state of affairs, results of its operations, cash flows and changes in equity in a fair and accurate manner.

5. Accounting policies

Appropriate accounting policies are consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

6. Books of Accounts

Proper books of accounts have been kept and maintained by the company as per the relevant provision of Company's act-2017. Compliance with International Accounting Standards (IAS) and and International Financial Reporting Standards (IFRS), as applicable in Pakistan adopted by Securities And Exchange Commission Of Pakistan And Institute Of Chartered Accountants Of Pakistan, have been ensured in preparation of financial statements.

7. Internal control System

An internal control system is designed to provide reasonable assurance that the company ensures compliance of policies, plans and laws; efficient use of resources; accomplishment of goals besides availability and integrity of financial and management information. The internal control system of IIL is very comprehensive, effectively implemented and being monitored regularly. The company is fully focused on control procedures of business unit to ensure that corporate policies are executed and corrections are applied as and when required.



8. Best practices of Corporate Governance

IIIL, as a model corporate entity, pursues perfection by adherence to the best corporate and ethical practices. Best practices of corporate governance, as given in the Companies Act 2017, are being applied and implemented in true letter and spirit. All periodic financial statements of the company were circulated to the Directors, duly endorsed by Chief Executive Officer and Chief Financial Officer, for approval before publication. Quarterly unaudited financial statements along with Directors' review were published and circulated to the share holders and regulators.

(a) . Shareholding Pattern.

Pattern of shareholding of the company in accordance with Listed Companies (Code of Corporate Governance) Regulation, 2019 and the Companies Act, 2017, as on 30th June 2022 is attached at the end of the report.

(b). Shareholders' Informatbn.

To update the shareholders about the operations, growth and state of affairs of the company, the management promptly disseminates all material information including the announcement of interim and final results to Pakistan Stock Exchange. Quarterly, half yearly and annual financial Statements are accordingly circulated within the stipulated time frame to all the concerned. Like wise, notices and announcements of dividend are transmitted to all stakeholders and regulators within the time laid down in Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017. The same are also uploaded immediately on the company's website.

9. Human Resource Committee

The committee is comprised of three members including its chairman. These three members are non-executive directors, while the chairman is an independent director. During the year, two meetings of this committee were held.

10. Role of Chairman

Leads the Board of Directors, represents the Group and acts as an overall custodian of the Group on behalf of the Board and stakeholders. Being responsible for ensuring the Board's effectiveness, he empowers the Board as a whole to play a constructive role in the determination and development of the company's strategy and overall objectives.

11. Board Composition

The Board is comprised of two independent directors, two executive directors (Including Chairman & CEO/MD) and three non-executive directors (including two female directors). The diverse knowledge, expertise and skills of the members enhance the effectiveness of our Board. The composition of the Board guarantees to safeguard the interests of all categories of shareholders.

12. Performance Evaluation of the Board

Pursuant to Listed Companies (Code of Corporate Governance) Regulations, 2019 the Board of Directors approved a comprehensive mechanism for evaluation of the Board's own performance. The Human Resource Committee will undertake a formal process for evaluation of the performance of the Board as a whole and its committees.



13. Meetings of Board of Directors

The Board meetings are held every quarter for reviewing and approving the adoption of the company's financial statements, coupled with review and adoption of business plan. During this year, six meetings of the Board of Directors were held.

14. Committees of the Board

Following committee was constituted to work under the guidance of the Board of Directors.

a. Audit Committee

The committee is comprised of five members including its chairman. Three members are non-executive directors, while chairman of the committee is the independent director. During this year, five meetings of the Audit Committee were held.

15. Board of Director's Remuneration

The directors are paid remuneration for attending the Board/Committee meeting as per the approved policy. The relevant details are indicated in the relevant notes to the financial statements.

16. Qualifications of CFO and Head of Internal Audit.

Chief Financial Officer and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

17. Training of the Board Members.

The company takes keen interest in the professional development of its Board members and arranges necessary trainings for them as per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

18. Approval of Vision, Mission and Corporate Strategy by the Board.

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has carefully reviewed and approved the Vision, Mission and Corporate Strategy of the company. It comprehensively states the ideology with which IIL was incorporated. We ensure that our Vision and Mission set the direction of our overall corporate strategy. The entire organization is connected and driven by a well-defined purpose and it serves the decision making criterion in our day to day business.

19. Code of Conduct.

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, IIL adheres to the best ethical standards in the conduct of business. Accordingly, the Code of Conduct of the company has been approved by the Board of Directors and placed on the website of the company.

20. Listed Companies (Code of Corporate Governance) Regulations, 2019.

In the year, Security and Exchange Commission of Pakistan (SECP) issued the Listed Companies (Code of Corporate Governance) Regulations, 2019 for listed companies while revising the previous regulations. The Board of Directors is fully aware of the requirements of the revised code which is applicable since 25 September 2019 and has been making necessary arrangements to ensure its compliance. As part of compliance of the code, we confirm the following:-

a. The financial statements prepared by the company management present fairly its state of affairs, results of its operations, cash flows and changes in equity.



b. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

c. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.

d. The system of internal control is sound in design and is effectively implemented and monitored.

e. There are no significant doubts upon the company's ability to continue as a going concern.

21. Salient Aspects of Company's Control and Reporting Systems

The company complies with all the requirements of the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. To fulfill this role, the Board is responsible to implement overall corporate governance guidelines in the company, including approval of the strategic direction as recommended by the management; approving and monitoring capital expenditures; appointing, removing and creating succession policies for the senior management; establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. The Board is also responsible for approving and monitoring financial and other reporting.

22. Relations with Company Personnel

Relations between the management and the workers continued to remain cordial, based on mutual respect and trust. The company has allocated funds for Provident Fund and Profit Participation Fund for its employees. Considerable investment has been made for welfare of the staff in order to provide safe and conducive environment.

23. Gratuity Funds Investment.

The company also operates funded Gratuity Fund Scheme covering all its permanent employees in accordance with Gratuity Fund Rule.

24. Related Party Transactions.

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019 and requirement of the Company's Act 2017, the company adheres to the highest ethical standards in the conduct of business. Policy on related party transactions of the company is duly approved by the Board of Directors.

25. External Auditors.

M / s. SARWARS Chartered Accountants, has completed the Annual Audit for the year ended 30th June 2022 and will retire on conclusion of the Annual General Meeting. In view of the good corporate governance practices, the Board has recommended, for approval by the shareholders duly endorsed by the Audit Committee, the appointment of M/s. SARWARS Chartered Accountants, as External Auditors of the Company for the year ending 30th June 2023.



26. Environmental & Social Policy.

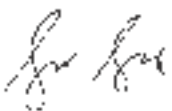
IIIL follows the best possible ethical standards in the conduct of business. Accordingly, environmental and social policy of the company, duly approved by the Board of Directors, is placed on the website of the company. During the current year we installed scrubber to control the smoke pollution.

27. Whistle Blowing Policy.

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, IIIL is committed to achieving high standards of integrity, ethical values and accountability. Accordingly, whistle blowing policy of the company has been approved by the Board of Directors and placed on the company's website, which enables officers and employees to share their concerns, which are addressed through necessary corrective measures.

28. Disclosures.

To the best of our knowledge, Directors (except as shown in the pattern of shareholding in the report), Chief Executive/Managing Director, CFO, Company Secretary, Company Auditors, their spouses and their minor children have not undertaken any trading in shares of the company during the FY 2021-2022.



CEO/ Director





INDEPENDENT AUDITOR’S REVIEW REPORT To the members of Ittefaq Iron Industries 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 **Ittefaq Iron Industries Limited** for the year ended June 30, 2022, in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on Our Review, except for non-compliance to Regulation No. 18 and 19, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Reference of Regulation	Description	Explanation
18,19	The required number of Directors have not participated in the Director Training Programme.	According to Regulation by June 30, 2022 at least half of the directors on the panel of Board of directors must have gone through Director Training Programme.

SARWARS
CHARTERED ACCOUNTANTS



Place: Lahore
Date: September 26, 2022
UDIN: CR2022102086xOGmXPfp





KEY FIGURES

PKR

Sales Revenue

11,225,260,621

(2021: 6,200,915,070)

PKR

EBITDA

416,562,579

(2021: 265,055,708)

PKR

Profit before Tax & Depreciation

365,409,018

(2021: 300,498,200)

PKR

Profit After Tax

234,051,010

(2021: 266,761,003)

PKR

Earning per share

1.62

(Earning per share 2021: 1.85)



%

Return on Capital Employed

0.05

(2021: 0.07)

PKR

Total Asset

9,520,110,808

(2021: 7,455,057,988)

%

Current Ratio

1.78

(2021: 2.19)

PKR

Shareholder Equity

4,121,230,899

(2021: 3,865,965,746)

PKR

Breakup value per share

28.55

(2021: 26.78)

Last Five year Financial Review

(Amounts in PKR Mn.) Income Statement	FY18 Audited	FY19 Audited	FY20 Audited	FY21 Audited	FY22 Audited
Sales	6,198	6,809	3,385	6,200	11,225
Cost of Goods Sold	5,578	6,181	3,368	5,554	10,716
Gross Profit	619	639	18	645	509
EBITDA	650	628	-12.03	273	416
Operating Profit	544	505	-128	404	297
Financial Charges	82	159	63	35	51.1
Profit before Taxation	415	322	-191	439	222
Profit after Taxation	270	198	-239	267	234
Balance Sheet					
Non-Current Assets	1802	1722	1,965	2,069	1,987
Current Assets	4218	4699	4,443	5,385	7,532
Total Assets	6020	6422	6,408	7,455	9,520
Share Capital	1,312	1,443	1,443	1,443	1,443
Total Equity (including surplus on revaluation of assets)	3,944	4,098	3,979	4,441	4,673
Non-Current Liabilities	266	290	248	557	606
Deferred Liabilities	161	190	216	68	86
Current Liabilities	1648	1,842	1,965	2,455	4,240
Total Liabilities	2,075	2,323	2,429	3,014	4,846
Total Equity and Liabilities	6,020	6,422	6,408	7,455	9,520
Total Number of Issued Shares of PKR 10/- each (mn)#	13.12	144.3	144.3	144.3	144.3
Financial Ratios					
Gross Margin(1)	9.99%	9.39%	0.52%	10.42%	4.53%
Operating Profit Margin(2)	8.77%	7.42%	-3.78%	6.51%	2.65%
Net Margin(3)	4.35%	2.91%	-6.29%	4.30%	2.09%
EBITDA Margin(4)	10.49%	9.22%	-0.36%	4.40%	3.71%
EBIT Margin(5)	8.37%	7.42%	-3.78%	6.51%	2.44%
Earnings Per Share (PKR) (6)	2.25%	1.37%	-1.47%	1.85	1.62
Current Ratio (x) (7)	2.6%	2.6%	2.26%	2.19	1.78
Breakup Value Per Share (PKR) (8) (excluding surplus on revaluation of assets)	25	24	23.41	26.8	28.55
Breakup Value Per Share (PKR)(9) (including surplus on revaluation of assets)	30	28	27.6	30.7	32.38
Working Capital Turnover (x) (10)	2.4	2.38	1.37	2.12	3.41
Inventory Days(11)	106	109	176	127	81
Receivable Days(12)	36	42	158	78	49
Payable Days(13)	24	21	38	19	42
Inventory Turnover(14)	2.84	2.56	2	2.35	3.71



(Amounts in PKR Mn.) Income Statement	FY18 Audited	FY19 Audited	FY20 Audited	FY21 Audited	FY22 Audited
Receivable Turnover (15)	8.25	7.02	2.62	3.90	6.18
Payable Turnover (16)	12.68	14.01	1.84	2.35	7.08
Asset Turnover (17)	111.9%	109%	53%	83%	132%
Return on Asset (18)	4.87%	3.18%	-3.32%	3.58%	2.46%
Return on Equity(including surplus on revaluation)(19)	7.59%	4.92%	- 5.35%	6.01%	5.01%
Return on Equity (excluding surplus on revaluation)(20)	8.74%	5.58%	-6.30%	6.90%	5.68%
Return on Fixed Asset (21)	17.09%	11.20%	-5.30%	13.22%	11.98%
Debt to Equity (including surplus on revaluation) (22)	0.42	.32	0.46	0.43	0.36
Debt to Equity (excluding surplus on revaluation) (23)	0.51	.375	0.549	0.49	0.41
Debt to Assets (24)	0.34	.20	0.27	0.23	0.18

Notes:

- (1) Gross Margin is calculated by dividing the gross profit for the year with the net sales of the same year.
- (2) Operating Profit Margin is calculated by dividing the operating profit for the year with the net sale of the same year.
- (3) Net Margin is calculated by dividing the profit after tax of the year with the net sales of the same year.
- (4) EBITDA Margin is calculated by dividing the earnings before interest, tax, depreciation and amortization of the year with the net sales of the same year.
- (5) EBIT Margin is calculated by dividing the earnings before interest and tax of the year with the net sales of the same year.
- (6) Earnings per Share is calculated by dividing the profit after tax of the year with the total number of current issued shares (i.e. 144.3 (mn) ordinary shares)
- (7) Current Ratio is calculated by dividing the total current assets of the year with the total current liabilities of the same year.
- (8) Breakup Value per Share excluding surplus on revaluation of fixed assets is calculated by dividing the Net equity less revaluation of fixed assets with the total number of current issued shares (i.e. 1,443 million ordinary shares)
- (9) Breakup Value per Share including surplus on revaluation of fixed assets is calculated by dividing the Net equity of the year with the total number of current issued shares (i.e. 1,443 million ordinary shares)
- (10) Working Capital Turnover is calculated by dividing the net sales of the year with the working capital of the same year.
- (11) Inventory Days is calculated by dividing 300 with the inventory turnover ratio.
- (12) Receivable Days is calculated by dividing 300 with the receivable turnover ratio.
- (13) Payable Days is calculated by dividing 300 with the payable turnover ratio.
- (14) Inventory Turnover is calculated by dividing the Cost of Goods Sold of the year with average of inventory.
- (15) Receivable Turnover is calculated by dividing the Net Sales of the year with average of receivables.
- (16) Payable Turnover is calculated by dividing the Cost of Goods Sold of the year with average of payables.
- (17) Asset Turnover is calculated by dividing the Net Sales of the year with the average total assets.
- (18) (Return on Assets is calculated by dividing the Profit after Tax of the year with the average total assets.
- (19) Return on Equity is calculated by dividing the Profit after Tax of the year with the average equity (including surplus on revaluation of assets).
- (20) Return on Equity is calculated by dividing the Profit after Tax of the year with the average equity (excluding surplus on revaluation of assets)
- (21) Return on Fixed Assets is calculated by dividing the Profit after Tax of theyear with the average non-current assets.
- (22) Debt to Equity is calculated by dividing the total debt of the year (including mark-up payable and short term liabilities) with the equity (including surplus on revaluation of assets) of the same year.
- (23) Debt to Equity is calculated by dividing the total debt of the year (including mark-up payable and short term liabilities) with the equity (excluding surplus on revaluation of assets) of the same year.
- (24) Debt to Assets is calculated by dividing the total debt of the year (including mark-up payable and short term liabilities) with the total assets of the same year. * These ratios are calculated by annualizing the numbers of 1QFY17
#The Company changed the par value of its shares form PKR 100/-per share to PKR 10/-per share on 24/11/2016.
Currently the issued capital of the Company consists of 1,443 million ordinary shares.



CODE OF CONDUCT

The Code of Conduct sets out the Company's objectives and its responsibilities to various stakeholders and the ethical standards required from its Directors and employees to meet such objectives and responsibilities.

FINANCIAL DISCLOSURE

All transactions should be accurately reflected in the books of accounts according to applicable accounting principles. Falsification of the Company's books, any of the recorded bank accounts and transactions is strictly prohibited.

CONFLICT OF INTEREST

The Directors and employees of the Company must recognize that in the course of performing their duties, they may be out into a position where there is a conflict in the performance of such duty and a personal interest they may have. It is the overriding intention of the Company that all business transactions conducted by it are on arm's length basis.

COMPLIANCE WITH LAWS, DIRECTIVES & RULES

Compliance with all applicable laws, regulations, directives and rules including those issued by the Board of Directors and Management.

CONFIDENTIALITY

Confidentiality of the Company's internal confidential information must be maintained and upheld, which includes proprietary, technical, business, financial, joint-venture, customer and employee information that is not available publicly.

TIME MANAGEMENT

The Directors and the employees of the Company shall ensure that they adopt



efficient and productive time management schedules.

BUSINESS INTEGRITY

The Directors and employees will strive to promote honesty, integrity and fairness in all aspects of the Company's business and their dealings with vendors, contractors, customers, Joint Venture participants and Government officials.

INSIDER TRADING

Every Director and employee who has knowledge of confidential material information is prohibited from trading in securities of the Company.

HEALTH, SAFETY & ENVIRONMENT

The Company, its Directors and employees will Endeavour to exercise a systematic approach to health, safety and environmental management, in order to achieve continuous performance improvement.

INVOLVEMENT IN POLITICS, GIFTS & BRIBARY

Company shall not make payments or other contributions to political parties and organizations. Employees must ensure that if they elect to take part in any form of political activity in their spare time, such activity does not and will not have any adverse effects on the Company and such activities must be within the legally permissible limits. The Directors and employees shall not give or accept gifts, entertainment, or any other personal benefit or privilege that could influence business dealings.

COMPLIANCE

All Directors and employees must understand and adhere to the Company's business accordance with the Company's business practices and Code of Conduct and practices and Code of Conduct. They must commit to individual conduct in



observe both the spirit and the letter of the Code in their dealings on the Company's behalf.

ACCOUNTABILITY

Failure to adhere to the Company's business practices or Code of Conduct may result in disciplinary action, which could include dismissal.



STATEMENT OF COMPLIANCE

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

For The Year Ended: June 30, 2022

Ittefaq Iron Industries Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the followings manner:

1. The total number of directors are 7(Seven) as per the following:

- a) Male : 5 (FIVE)
- b) Female : 2 (TWO)

2. The composition of board is as follows:

a) Independent Directors:

Mr. MUHAMMAD MUBASHIR IQBAL
Mr. KHURRAM JAMIL

b) Other-Non Executive Director:

Mr. TAYYAB ALI
Mrs. WAJEEHA SHAHZAD
Mrs. SOBIA IRSHAD

c) Executive Director

Mian Muhammad Pervaiz Shafi
Mr. Shahzad Javed

3. The Directors have confirmed that none of them is serving as Director on more than five (5) listed companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.



5. The board has developed a vision/ mission statement overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board /shareholders as empowered by the relevant provisions of the Companies Act 2017 (:the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by Boardfor this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording minutes of meeting of the Board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Company takes keen interest in the professional development of its Board members. In House training have been arranged for Board members, however, none of the directors of the company have attended Directors' Training Program. The management is conscious of its responsibilities and is hopeful that the training of all directors shall be completed before June 30, 2022.
10. The Board has approved appointment of Chief Financial Officer during the year his remuneration and terms and conditions of employment. There were no new appointments of Company Secretary and Head of Internal Audit during the year.
11. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
12. FCO and CEO duly indorsed the financial statements before approval of the board.
13. The board has formed committees comprising of members given below:)

a) **Audit Committee**

Mr. Muhammad Mubashir Iqbal	Chairman of the Committee
Mr. Imran Khan	Secretary of the Committee
Mr. Khurram Jamil	Member
Ms. Tayyab Ali	Member
Ms. Sobia Irshad	Member

a) **Human Resources & Remuneration Committee**

Mr. Muhammad Mubashir Iqbal	Chairman of the Committee
Ms. Tayyab Ali	Member
Ms. Wajeeha Shahzad	Member

14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

15. The frequency of meeting of the committee were as per following:

Committee	Frequency requirement	Meeting Held
(a) Audit Committee	Meeting is to be held at least once in every quarter	(Four) Meetings of the committee were held during the year.
(b) Human resources and Remuneration Committee	Meeting is to be held at least once in every financial year	(Two) Meetings of the committee were held during financial year.

16. The board has set up an effective internal audit function. The auditors are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

17. The statutory auditors of the Company has confirmed he has been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with international Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

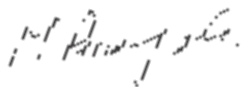
18. The statutory auditor has not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditor has confirmed that he has observed IFAC guidelines in this regard.

19. Explanation for non-compliance with requirements, other than regulation 3, 6,7,8,27,32,33 and 36 are below (if applicable)

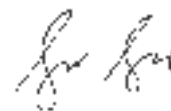
Non-Mandatory Requirement	Reg. No.	Explanation
Representation of Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
Responsibilities of the Board and its members: Adoption of the corporate governance practices	10 (1)	Non-mandatory provisions of the CCG Regulations are partially compiled
Nominations Committee: 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.	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the function are being performed by the Executive Committee.
Risk Management Committee: 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.	30(1)	Currently, the Board has not constituted a Risk Management Committee and the Company's Risk Management Officer performs the requisite functions and apprises the board accordingly.

20. We confirmed that all other requirements of the regulations have been complied with.

For and on behalf of the Board.



Mian Muhammad Pervaiz Shafi
Chairman



Shahzad Javed
Chief Executive Officer

Lahore: Dated September 26, 2022

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THE COMPANIES ACT, 2017

FORM 34

(Section 227(2)(f))

PATTERN OF SHAREHOLDING

1.1 Name of the Company

ITTEFAQ IRON INDUSTRIES LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2022

-----Shareholdings-----			
2.2 No. of Shareholders	From	To	Total Shares Held
326	1	100	16,225
309	101	500	134,149
1,973	501	1,000	1,214,682
1,758	1,001	5,000	3,695,638
333	5,001	10,000	2,583,265
105	10,001	15,000	1,343,785
81	15,001	20,000	1,483,650
50	20,001	25,000	1,188,208
25	25,001	30,000	706,300
27	30,001	35,000	910,939
17	35,001	40,000	657,231
6	40,001	45,000	259,570
32	45,001	50,000	1,568,400
15	50,001	55,000	804,930
8	55,001	60,000	467,925
2	60,001	65,000	127,500
9	65,001	70,000	620,000
3	70,001	75,000	225,000
3	75,001	80,000	229,250
2	80,001	85,000	170,000
5	85,001	90,000	437,850
4	90,001	95,000	378,600
10	95,001	100,000	995,876
3	100,001	105,000	310,000
7	105,001	110,000	762,000
2	110,001	115,000	225,600



2	120,001	125,000	240,950
3	125,001	130,000	380,228
1	130,001	135,000	135,000
2	140,001	145,000	288,000
3	145,001	150,000	450,000
1	150,001	155,000	155,000
2	155,001	160,000	316,800
1	170,001	175,000	174,000
1	180,001	185,000	183,000
1	190,001	195,000	195,000
5	195,001	200,000	1,000,000
1	210,001	215,000	211,850
2	215,001	220,000	435,500
1	235,001	240,000	237,000
1	245,001	250,000	250,000
1	265,001	270,000	266,200
1	270,001	275,000	275,000
1	300,001	305,000	304,000
1	345,001	350,000	350,000
1	360,001	365,000	364,500
3	435,001	440,000	1,313,000
2	460,001	465,000	921,500
3	495,001	500,000	1,498,500
1	500,001	505,000	503,500
1	515,001	520,000	519,996
1	580,001	585,000	584,099
1	595,001	600,000	600,000
1	645,001	650,000	649,500



1	675,001	680,000	675,500
1	745,001	750,000	747,500
1	765,001	770,000	768,000
1	800,001	805,000	802,500
1	860,001	865,000	862,000
1	865,001	870,000	870,000
1	895,001	900,000	900,000
1	965,001	970,000	969,500
1	975,001	980,000	976,000
1	1,060,001	1,065,000	1,065,000
1	1,285,001	1,290,000	1,289,000
1	1,425,001	1,430,000	1,429,000
1	1,835,001	1,840,000	1,839,607
1	1,855,001	1,860,000	1,859,990
1	3,255,001	3,260,000	3,259,500
1	3,360,001	3,365,000	3,364,339
1	5,715,001	5,720,000	5,717,976
1	5,785,001	5,790,000	5,786,693
1	5,915,001	5,920,000	5,919,290
1	6,785,001	6,790,000	6,787,902
1	6,940,001	6,945,000	6,940,758
1	8,850,001	8,855,000	8,854,780
1	8,965,001	8,970,000	8,968,828
1	9,025,001	9,030,000	9,025,500
1	9,555,001	9,560,000	9,559,946
1	9,655,001	9,660,000	9,656,559
1	11,125,001	11,130,000	11,129,000

5,187

144,343,364



2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	11,782,240	8.1626%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	3,260,500	2.2588%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	1,567,000	1.0856%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	123,459,312	85.5317%
b. Foreign	600	0.0004%
2.3.9 Others (to be specified)		
- Joint Stock Companies	4,184,916	2.8993%
- Others	88,796	0.0615%

ITTEFAQ IRON INDUSTRIES LIMITED

Categories of Shareholding required under Code of Corporate Governance (CCG) As on June 30, 2022

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	51,000	0.0353%
2	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	114,500	0.0793%
3	CDC - TRUSTE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	45,000	0.0312%
4	CDC - TRUSTE ATLAS ISLAMIC STOCK FUND (CDC)	649,500	0.4500%
5	CDC - TRUSTE ATLAS STOCK MARKET FUND (CDC)	675,500	0.4680%
6	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	20,000	0.0139%
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. SHAHZAD JAVED (CDC)	9,887,500	6.8500%
2	MIAN MUHAMAMD PERVAIZ SHAFI (CDC)	34,000	0.0236%
3	MST. WAJEEHA SHAHZAD (CDC)	1,859,990	1.2886%
4	MST. SOBIA IRSHAD (CDC)	100	0.0001%
5	MR. TAYYAB ALI (CDC)	100	0.0001%
6	MR. MUHAMAMD MUBASHIR IQBAL	300	0.0002%
7	MR. KHURRAM JAMIL	250	0.0002%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		3,272,000	2.2668%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. DANISH ELAHI (CDC)	11,129,000	7.7101%
2	MST. KHALIDA PERVEZ (CDC)	9,656,559	6.6900%
3	MR. MUHAMMAD HASNAIN TARIQ SHAFI (CDC)	9,559,946	6.6231%
4	MR. SHAHZAD JAVED (CDC)	9,887,500	6.8500%
5	MR. ATIF MUBARIK (CDC)	8,968,828	6.2135%
6	RANA NISAR AHMAD (CDC)	8,854,780	6.1345%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

<u>S.No.</u>	<u>NAME</u>	<u>SALE</u>	<u>PURCHASE</u>	<u>BONUS</u>
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Dear Sir, please check at your end



ITTEFAQ IRON INDUSTRIES LTD.



Financial Statements

For the year ended 30 June 2022





INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ITTEFAQ IRON INDUSTRIES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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


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

Basis for Opinion

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

EMPHASIS OF MATTER PARAGRAPH

As disclosed in Note No. 20.1 to the financial statements for the year ended June 30, 2022, the company is under litigation with the banks on the application and payment of mark-up, recoverability of outstanding and other matters outlined in Note No. 20.1. Therefore, the company has not charged any provision for markup on the loans on said banks, as the company is of the view that the said matter is pending before the court and subject to adjudication. Hence, management is of the opinion that no provision is required for such expenses. The legal advisor is of the opinion that they are pursuing the case vigorously and hope its final settlement would be in favor of the company.



Attention is invited to Note no. 16 of the financial statements. The company is in the process of complying with the requirements of section 244 of the Companies Act, 2017.

Our opinion is not modified in respect of these matters.

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 are the Key audit matters worth reporting:

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 opinion 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.



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 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 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 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


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

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

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and 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;

- 
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
 - d) No zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

OTHER MATTER PARAGRAPH

The engagement partner on the audit resulting in this independent auditor's report is Rashid Sarwar (FCA)



SARWARS
CHARTERED ACCOUNTANTS
Engagement Partner: Rashid Sarwar (FCA)



Place: Lahore
Date: September 26, 2022
UDIN: AR202210208tDY6Zu8LV

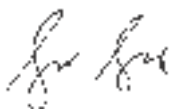
STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2022


EQUITY AND LIABILITIES

	Note	30 / Jun / 2022 Rupees	2021 Rupees
Share capital and reserves			
Share capital	7	1,443,433,640	1,443,433,640
Director's Loan's	8	316,329,215	316,329,215
Capital reserves			
Share premium	9	774,507,925	774,507,925
Surplus on revaluation of property, plant and equipment	10	552,615,129	575,392,456
		1,327,123,054	1,349,900,381
General reserves			
Un-appropriated profit		1,586,960,119	1,331,694,966
		4,673,846,028	4,441,358,202
Non-current liabilities			
Long-term finances	11	312,166,577	189,202,089
Lease liabilities	12	22,158,897	36,589,947
Deferred taxation	13	186,098,594	263,719,717
Deferred liabilities	14	85,755,625	68,326,851
		606,179,693	557,838,604
Current liabilities			
Trade and other payables	15	3,026,636,871	1,014,398,702
Unclaimed dividends	16	3,690,200	3,730,079
Mark-up accrued on borrowings	17	91,271,694	72,533,323
Short-term borrowings	18	1,076,374,361	1,353,170,672
Current portion of long term liabilities	19	42,111,961	12,028,406
		4,240,085,087	2,455,861,182
Contingencies and commitments	20	-	-
		9,520,110,808	7,455,057,988

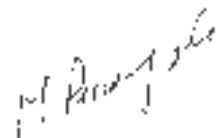
The annexed notes from 1 to 51 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



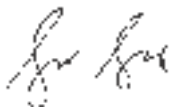
DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2022

	Note	30 / Jun / 2022 Rupees	2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	21	1,905,558,661	1,980,221,679
Right-of-use assets	22	63,336,447	70,373,830
Long-term deposits	23	18,972,226	18,972,226
		1,987,867,334	2,069,567,735
Current assets			
Stores, spare parts and loose tools	24	370,575,418	375,799,706
Stocks in trade	25	3,354,382,051	2,418,538,554
Trade debts	26	2,069,138,079	1,566,514,762
Loans and advances	27	315,381,523	424,509,169
Trade deposits and prepayments	28	142,679,427	141,125,374
Tax refunds due from government	29	463,318,761	425,002,284
Cash and bank balances	30	816,768,215	34,000,404
		7,532,243,474	5,385,490,253
		9,520,110,808	7,455,057,988

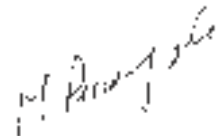
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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



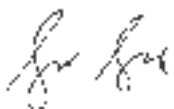
DIRECTOR

STATEMENT OF PROFIT OR LOSS

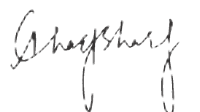
For the year ended 30 June 2022

	Note	30 / Jun / 2022 Rupees	2021 Rupees
Sales - net	31	11,225,260,621	6,200,915,070
Cost of sales	32	10,716,240,783	5,554,967,132
Gross profit		509,019,838	645,947,938
Other operating income	33	10,475,322	9,446,550
Distribution and selling cost	34	84,696,630	65,983,655
Administrative and general expenses	35	88,329,021	75,877,242
Other operating cost	36	70,957,239	38,940,606
Finance cost	37	53,293,074	35,442,492
		297,275,964	216,243,995
Profit before taxation		222,219,196	439,150,493
Taxation	38	11,831,814	(172,389,490)
Profit after taxation		234,051,010	266,761,003
Earnings per share (basic and diluted)	39	1.62	1.85

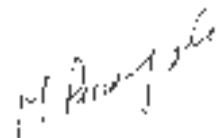
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CHIEF FINANCIAL OFFICER



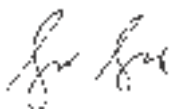
DIRECTOR

STATEMENT OF OTHER COMPREHENSIVE INCOME

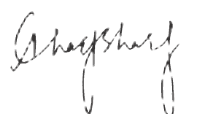
For the year ended 30 June 2022

	Note	30 / Jun / 2022 Rupees	2021 Rupees
Profit after taxation		234,051,010	266,761,003
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Employee retirement benefits:			
Remeasurement of defined benefits obligation	14	(2,201,668)	(6,295,438)
Related deferred tax	13	638,484	1,825,677
		(1,563,184)	(4,469,761)
Total comprehensive (loss) / income for the year		<u>232,487,826</u>	<u>262,291,242</u>

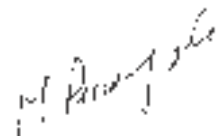
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CHIEF FINANCIAL OFFICER

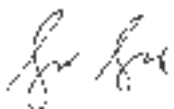


DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

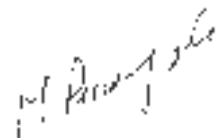
	Reserves			Director's Loan	Total equity	
	Capital		Revenue			
	Share premium	Surplus on revaluation of operating asset	Un-appropriated profit			
----- Rupees -----						
Balance as at 1st July 2020 Re-stated	1,443,433,640	774,507,925	600,648,346	1,044,147,834	316,329,215	4,179,066,960
Profit after taxation for the year	-	-	-	266,761,003	-	266,761,003
Other comprehensive income						
Employee retirement benefits						
Remeasurements of benefit plan	-	-	-	(6,295,438)	-	(6,295,438)
Less: Related deferred tax	-	-	-	1,825,677	-	1,825,677
	-	-	-	(4,469,761)	-	(4,469,761)
Present value adjustment of interest free loan from directors	-	-	-	-	-	-
Amortization of unwinding of interest on loan from directors	-	-	-	-	-	-
Transfer from revaluation surplus (net of deferred tax) - note 10	-	-	(25,255,890)	25,255,890	-	-
Balance as at 30 June 2021	1,443,433,640	774,507,925	575,392,456	1,331,694,966	316,329,215	4,441,358,202
Profit after taxation for the year	-	-	-	236,051,010	-	234,051,010
Other comprehensive income						
Employee retirement benefits						
Remeasurements of benefit plan	-	-	-	(2,201,668)	-	(2,201,668)
Less: Related deferred tax	-	-	-	638,484	-	638,484
	-	-	-	(1,563,184)	-	(1,563,184)
Transfer from revaluation surplus (net of deferred tax) - note 10	-	-	(22,777,327)	22,777,327	-	-
Balance as at 30 June 2022	1,443,433,640	774,507,925	552,615,129	1,586,960,119	316,329,215	4,673,846,028



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOW

For the year ended 30 June 2022

	Note	30 / Jun / 2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	1,152,400,967	228,930,792
Income taxes paid	29.1	(103,225,890)	(143,107,931)
Workers' profit participation fund paid	15.3	(23,584,881)	-
Employee benefits paid	14.1	(8,600,604)	(5,571,677)
Finance cost paid		(34,554,703)	(29,001,281)
Net cash generated from operating activities		982,434,889	51,249,903
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) in long-term deposits		=	-
Acquisition of property, plant and equipment		(119,798,986)	(185,045,003)
Capital work-in-progress		58,091,788	(57,688,450)
Expense incurred for right-to-use assets		-	-
Proceeds from disposal of property, plant and equipment	21.3	259,317	32,000
Net cash used in investing activities		(61,447,881)	(242,701,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends		(39,879)	(5,556,626)
Re-payment of lease obligations	12.2	15,652,505	(10,025,781)
Long Term Loan	11.1	122,964,488	189,202,089
Proceeds from short-term borrowings (net)		(276,796,311)	(25,382,192)
Net cash generated from financing activities		(138,219,197)	148,237,490
NET DECREASE IN CASH AND CASH EQUIVALENTS		782,767,811	(43,214,060)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	30	34,000,404	77,214,464
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		816,768,215	34,000,404

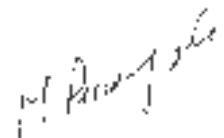
The annexed notes from 1 to 51 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 STATUS AND ACTIVITIES

Ittefaq Iron Industries Limited ("The Company") (Formerly Ittefaq Sons Private Limited) was incorporated on February 20, 2004 and converted into public unquoted company on January 05, 2017. The company also changed its name from (Ittefaq Sons (Private) Limited) to (Ittefaq Iron Industries Limited) on February 09, 2017. The Company was listed on Pakistan Stock Exchange on July 03, 2017. The principal activity of the company is manufacturing of Iron Bars and Girders. Following is the detail of addresses of the Company.

Particulars	Location
Registered office	40 B / II, Gulberg III, M. M. Alam Road, Lahore.
Project site	8 KM, Manga Mandi, Raiwind Road, District Kasur

2 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 applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

4.1 Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2021:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combinations';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'



4.2 Standards and interpretations have been adopted by the Company to the extent relevant and applicable:

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2021:

IFRS 3	'Business Combinations' (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020)	Amendment to IFRS 3 – Definition of a Business. The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
IAS 1 & IAS 8	'Presentation of Financial Statements' & 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective on or after 1 January 2020)	Amendments to IAS 1 and IAS 8. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
IAS 1	'Presentation of Financial Statements' (effective for the annual period beginning on or after 1 January 2022)	Amendments to IAS 1. Classification of liabilities as current or non-current. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
IFRS 16	'Leases' (effective for annual periods beginning on or after 1 June 2020)	Amendments to IFRS 16. To provide practical relief for lessees in accounting for rent concessions. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:



		<ul style="list-style-type: none">- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2021; and- there is no substantive change to the other terms and conditions of the lease.
IAS 37	'Provisions, Contingent Liabilities and Contingent Assets' (effective for the annual period beginning on or after 1 January 2022)	<p>Onerous Contracts – Cost of Fulfilling a Contract. It amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply amendments to contracts for which it has not yet fulfilled all its obligations at beginning of the annual reporting period in which it first applies amendments (date of initial application). Restatement of comparative information is not required, instead amendments require an entity to recognize cumulative effect of initially applying amendments as an adjustment to opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.</p> <p>The management has applied the changes/amendments as above, to the extent and manner as applicable, such changes don't have effect on the financials statements.</p>
IAS 16	'Property, Plant and Equipment' (effective for the annual period beginning on or after 1 January 2022)	<p>It clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable standards. Standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in manner intended by management on or after the beginning of earliest period presented in the financial statements in which the entity first applies amendments. The entity shall recognize cumulative effect of initially applying amendments as an adjustment to opening balance of retained earnings (or other component of equity, as appropriate) at beginning of that earliest period presented.</p>
IFRS 9, IAS 39 and IFRS 7	'Financial Instruments', 'Financial Instruments - Recognition and Measurement' and 'Financial Instruments - Disclosures' (effective for the annual period beginning on or after 1 January 2022)	<p>The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate. The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.</p>

IFRS 9	'Financial Instruments', (effective for the annual period beginning on or after 1 January 2022)	The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
IFRS 16	'Leases' (effective for annual periods beginning on or after 1 January 2022)	The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
IAS 41	'Agriculture' (effective for annual periods beginning on or after 1 January 2022)	The amendment removes the requirement in paragraph 22 of IAS 41 'Agriculture' for entities to exclude taxation cash flows when measuring the fair value of a biological asset while using a present value technique.

The company anticipates that the proposed amendments would not have any significant impact on the company's financial statements.

4.3 Revised Conceptual Framework for Financial Reporting

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Key Changes include -

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity, which may be a legal entity, or a portion of an entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition and adding guidance on derecognition;
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

BASIS OF PREPARATION

5.1 Measurement

These financial statements have been prepared under historical cost convention modified by application of following:

Components of financial statements	Mode of Valuation
(i) Financial instruments	at fair values
(ii) Certain classes of operating fixed assets	at revalued amounts
(iii) Lease obligations	at present values
(iv) Interest free loans from directors	at face value
(v) Employee retirement benefits	at present values

In these financial statements, except for the amounts reflected in the cash flow statement, all transaction have been accounted for on accrual basis.

5.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

a)	assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment;	(notes 6.1 and 21)
b)	deferred tax asset is recognized only to extent that is probable that future taxable profits will be available against which assets may be utilized;	(notes 6.4, 13 and 38)
c)	assumptions and estimates used in calculating the provision for impairment for trade debts;	(notes 6.6 and 26)
d)	assumptions and estimates used in determining the provision for slow moving stores and spares;	(notes 6.12 and 24)
e)	assumptions and estimates used in writing down items of stock in trade to their net realizable values;	(notes 6.13 and 25)
g)	assumptions and estimates used for valuation of present value of defined benefit obligations;	(notes 6.8 and 14)
h)	assumptions and estimates used in disclosure and assessment of provision for contingencies; and	(notes 6.7, 6.17 and 6.19)
i)	assumptions / estimates used in determining current income and decisions of authorities issued in past.	(notes 6.4 and 29)

Estimates and judgments are continually evaluated, are based on historical experience / other factors, including expectation of future events that are believed to be reasonable under circumstances.

5.3 Functional and presentational currency


Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency, as converted on the day of transactions other wise as determined on the last day of closing date of the financial statements.

6 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparation of these financial statements are set out below:

6.1 Property and equipment

Items of property and equipment except freehold land, buildings on freehold land, plant and machinery are stated at cost less accumulated depreciation and impairment losses, if any. Free hold land, buildings on freehold land, plant and machinery are stated at revalued amounts less impairment loss, if any. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition or construction including expenditures on material, labor and overheads directly relating to construction, erection and installation of items of property and equipment.



Assets' residual values, if significant and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. When parts of an item of property and equipment have different useful lives, they are recognized as separate items of property and equipment.

Depreciation charge is based on the reducing balance method, so as to write off the historical cost of an asset over its estimated useful life after taking into account their residual values. The Company charges depreciation on the items of property and equipment from the date asset is available for use till date of its disposal. The rate of depreciation is specified in note 21 to these financial statements.

Depreciation on additions to property and equipment is charged from the day in which they are available for use while no depreciation is charged for the day in which property and equipment is disposed off. The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year, are consistent with the expected pattern of economic benefits.

Exchange differences in respect of foreign currency loans obtained for acquisition of property, plant and equipment are incorporated in the cost of the relevant assets. Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on sale of an item of property and equipment are determined by comparing the proceeds from sale with the carrying amount of property and equipment, and are recognized in profit or loss account.

6.2 Capital work in progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use. Express which cannot directly related the asset appropriate/indirect to all other assets.

6.3 Surplus on revaluation of property, plant and equipment

Surplus arising on acquisition being the difference between fair value of the assets acquired and the consideration paid is recognized as income over the remaining useful life of the assets acquired. Increase in carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity.

To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same assets are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Differences between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property plant and equipment to unappropriated profit.

6.4 Taxation

Income tax expense comprise current and deferred tax. Income tax is recognized in profit and loss account except to the extent that it relates to items recognized directly in 'statement of profit or loss / statement of comprehensive income' or 'equity', in which case it is recognized in 'statement of profit or loss / statement of comprehensive income' or 'equity'.



a) Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made and finalized during the year.

b) Deferred

Deferred taxation if applicable, is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amount for financial reporting purposes. In this regard the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan. Deferred income tax liability is recognized for all taxable temporary differences. Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

6.5 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment.

6.6 Trade debts, loans, deposits and other receivables

a) Financial assets

These are classified at 'amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. Provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Significant financial difficulties of debtors, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payments are considered indicators that trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

b) Non-financial assets

These on initial recognition and subsequently are measured at cost.

6.7 Trade and other payables

a) Financial liabilities

Trade and other payables are obligations to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payable are classified if payment is due within one year or less (or in normal operating cycle of business, if longer), if not, they are classified as non current liabilities.

Liabilities for trade and other payable are carried at amortized cost which is fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

b) Non-financial liabilities

These on initial recognition and subsequently are measured at cost.



6.8 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Actuarial valuation of the scheme is undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2020, using the "Projected Unit Credit Method".

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized immediately in OCI. The Company determines the net interest expense on the defined benefit liability 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-defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss account.

6.9 Employees' compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

6.10 Operating profit

The operating profit is the result generated during the year from the continuing principal revenue producing activities of the Company. Operating profit excludes other income, other expenses, finance costs and income taxes.

6.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, call deposits and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.


6.12 Stores, spare parts and loose tools

These are normally held for internal use and valued at average cost less allowances for obsolete and slow moving items and net realizable value, except stores in transit which are valued at invoice values plus other charges incurred thereon up to the statement of financial position date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

6.13 Stocks in trade

These are valued at lower of cost and net realizable value less impairment loss, if any, except for goods in transit. The basis of cost valuations are as follows:

Particulars	Mode of Valuation
Raw material	at raw material cost calculated on weighted average basis
Work-in-process	at weighted average manufacturing cost
Finished goods	at lower of cost and net realizable value
Waste	at realizable value



Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the date of statement of financial position.

Provision is made in the financial statements against slow moving and obsolete stock in trade based on management's best estimate regarding their future usability whenever necessary and is recognized in the statement of profit or loss. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

6.14 Lease obligations

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 entity 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 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. 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 right-of-use assets are presented as a separate line item in the statement of financial position as on the reporting date.



6.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit and loss account as incurred.

6.16 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

6.17 Provisions

A provision is recognized in the balance sheet 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. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

6.18 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss'. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

6.19 Contingents

- a) Contingent liabilities - are disclosed when:
 - (i) there is a possible obligation that arises from past events and 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
 - (ii) there is present 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.
- b) Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and 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. Contingent assets are not recognized until their realization become virtually certain.



6.20 Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

- (i) at fair value through profit or loss
- (ii) at fair value through other comprehensive income
- (iii) measured at amortized cost

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

b) Subsequent measurement

The financial assets are subsequently measured as follows:

- (i) Financial assets at fair value through profit and loss These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.
- (ii) Financial assets measured at amortized cost These assets are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains / losses and impairment are recognized in the statement of profit or loss.
- (iii) Debt investments at fair value through other comprehensive income 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 recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
- (iv) Equity investments at fair value through other comprehensive income These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

c) De-recognition of financial assets

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

6.21 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the reporting date. Exchange differences, if any, are charged in statement of profit or loss.



6.22 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are set off and only net amount is reported in statement of financial position when there is a legally enforceable right to set off recognized amount and the Company intends to either settle on a net basis, or to realize asset and settle the liability simultaneously.

6.23 Revenue recognition-IFRS 15

The company applies 5 step - model approach in revenue recognition.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied.

Revenue consists of sale of iron bars, girders and related products. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Profit on saving account is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective profit rate applicable.

Dividends, if any are accounted for on receipt basis, irrespective of the year to which such dividends are related.

6.24 Dividend distribution and other appropriations

a) Dividend distributions

Dividend is recognized as liability in the period in which it is declared, irrespective of the year.

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, in the Company's financial statements in the year in which the dividends are approved by Company's shareholders.

b) Appropriations

Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

6.25 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

6.26 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders.

The total comprehensive income comprises of all the components of profit or loss and other comprehensive income.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of other comprehensive income'.

6.27 Earnings per share ("EPS")

The Company calculates both basic and diluted earnings per share in accordance with IAS 33 "Earnings per Share".

Under IAS 33, basic EPS is computed using weighted average number of shares outstanding during the year.

Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.



6.28 Impairment

a) Financial assets

The Company recognizes loss allowances for expected credit losses in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at 12 months expected credit loss:

- 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 receivables are measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, 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 expected credit losses are the losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of losses 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 expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized 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 recovering 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.

b) Non-financial assets.

The carrying amounts of the Company's non financial assets 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 of 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 recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.



6.29 Related party transactions

The related parties of the Company comprise of associated undertakings, key management personnel and entities under common directorship as defined in the relevant provisions of the Companies Act, 2017..

Related party transactions are carried out on mutually agreed terms.

Pricing for these transactions are determined on the basis of comparable uncontrolled price method subject to agreed on mutual terms, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions.

Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchases of goods and services

Purchases of goods from related parties are recognized at actual cost to the Company.

Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

6.30 Determination of fair value

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of the objective evidence at each reporting date.

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities. Fair values of assets and liabilities is determined as follows:

a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future net cash inflows which are discounted at the market rate of interest at the reporting date.

b) Trade and other payables

The fair value of trade and other payables is estimated as the present value of future net cash outflows which are discounted at the market rate of interest at the reporting date.

c) Borrowings

The fair value of borrowings is determined using effective interest method.



6.31 Figures

Figures in these financial statements have been rounded off to the nearest of rupee.

6.32 Government Grant

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate, irrespective of the year to which they are related.

6.33 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. The company has no segments worth reportable as per IFRS 08.

6.34 Non- Current Assets Held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. These are stated at the lower of carrying amount and fair value less costs to sell.

7 SHARE CAPITAL

Authorized capital

2022	2021		30 / Jun / 2022 Rupees	30 / Jun / 2021 Rupees
----- Number of shares -----				
300,000,000	300,000,000	Ordinary shares of Rs. 10 each	3,000,000,000	3,000,000,000

Issued, subscribed and paid-up capital

2022	2021		30 / Jun / 2022 Rupees	30 / Jun / 2021 Rupees
----- Number of shares -----				
121,750,000	121,750,000	Ordinary shares of Rs. 10 each fully paid in cash	1,217,500,000	1,217,500,000
9,471,240	9,471,240	Ordinary shares of Rs. 10 each for consideration other than cash	94,712,400	94,712,400
13,122,124	13,122,124	Ordinary shares of Rs. 10 each issued as bonus shares	131,221,240	131,221,240
144,343,364	144,343,364		1,443,433,640	1,443,433,640

Movement in share capital of the Company during the current as well as last year is as follows:

2022	2021		30 / Jun / 2022 Rupees	30 / Jun / 2021 Rupees
----- Number of shares -----				
144,343,364	131,221,240	At beginning of the year	1,443,433,640	1,443,433,640
-	-	Bonus shares issued	-	-
144,343,364	144,343,364	Total at the year end	1,443,433,640	1,443,433,640

7.1 The Company has only one class of ordinary shares which carry no right to fixed income.

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

8 DIRECTOR'S LOAN'S

		30 / Jun / 2022 Rupees	30 / Jun / 2021 Rupees
At the beginning of the year	8.1	316,329,215	316,329,215
Add: Addition during the year		-	-
Less: Repayment during the year		-	-
At the end of the year		316,329,215	316,329,215

8.1 It is interest free loan from directors amounting to Rs. 316.329 million (2021: Rs. 316.329 million). This loan has been classified into equity as per regulations of TR 32 issued by the Institute of Chartered Accountant of Pakistan. (see note 8.2)

8.2 A loan to an entity by the director with undetermined repayment period, which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently remeasured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity.

8.3 The Director's loan's are subordinated until the fulfilment of the terms and conditions.

9 CAPITAL RESERVES

Share premium	774,507,925	774,507,925
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9.1 This represents premium of Rs. 20.20 per share received by the Company adjusted by the transaction cost of Rs. 68.842 million on initial public offering ('IPO') of 41,750,000 shares of Rs. 10 each in the year 2017. This reserve can be utilized by the Company in accordance for the purpose specified in section 81 of the Companies Act, 2017.

10 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Plant and machinery	Aggregate
	----- Rupees -----			
10.1 As at 30 June 2022				
Revaluation surplus				
At beginning of the year	338,684,248	25,168,820	308,223,022	672,076,090
Less: Transferred to unappropriated profit in respect of incremental depreciation charged for the year	-	(1,258,441)	(30,822,302)	(32,080,743)
At end of the year	338,684,248	23,910,379	277,400,719	639,995,347
Related deferred tax liabilities				
At beginning of the year	-	(7,298,957)	(89,384,677)	(96,683,635)
Incremental depreciation charged during the year	-	364,948	8,938,468	9,303,416
At end of the year	-	(6,934,009)	(80,446,210)	(87,380,218)
At end of the year (net)	338,684,248	16,976,370	196,954,511	552,615,129
10.2 As at 30 June 2021				
Revaluation surplus				
At beginning of the year	338,684,248	26,493,495	342,470,024	707,647,767
Less: Transferred to unappropriated profit in respect of incremental depreciation charged for the year	-	(1,324,675)	(34,247,002)	(35,571,677)
At end of the year	338,684,248	25,168,820	308,223,022	672,076,090
Related deferred tax liabilities				
At beginning of the year	-	(7,683,113)	(99,316,308)	(106,999,421)
Incremental depreciation charged during the year	-	384,156	9,931,631	10,315,786
At end of the year	-	(7,298,957)	(89,384,677)	(96,683,634)
At end of the year (net)	338,684,248	17,869,863	218,838,345	575,392,456

10.3 The latest revaluation of property, plant and equipment of the Company was carried out by KG Traders independent professional valuers (approved business valuers on the panel of Pakistan Bank's Association) during the financial year 2018. The said revaluation was carried out to replace the carrying amounts of assets with the market values / depreciated market values. The Company has incorporated the revaluation adjustments [surplus / (impairment)] in the financial statements of the respective year.

10.4 Forced sale value of property, plant and equipment at that time is as under:

Freehold land	316,205,312
Buildings on freehold land	318,759,137
Plant and machinery	772,000,000
Total	1,406,964,449

10.5 Basis of revaluation were as under as per the provisions of IFRS 13:

Freehold land	The value of land was determined on the basis of inquiries in the activity of land and also information obtained from different sources in the area.
Buildings on freehold land	The value of building was based on information of various construction details, covered areas and quality of constructions were noted and new rate of construction per square foot where applicable was determined to arrive at new construction value.
Plant and machinery	The value is based on inquiries from the local market to obtain prevalent replacement values of similar local and imported machinery items.

		30 / Jun / 2022 Rupees	30 / Jun / 2021 Rupees
11 LONG TERM FINANCE			
Bank of Punjab Limited-FATR/FIM	- note 18.1	194,364,041	-
Bank of Punjab Limited-CF	- note 18.3	145,482,536	-
		339,846,577	-
Less: Current Portion of Long term Loans		(27,680,000)	-
		312,166,577	-
11.1 Loan from non financial institution (EGC)		-	189,202,089

During the current year, loan from Elahi Group of Companies, a non financial institution (EGC) amounting to Rs. 189,202,089 has been classified to trade and other payables- (Creditors - Note no. 15.) as per the revised terms of the agreement duly approved by BOD.

See note no. 50.



		2022 Rupees	2021 Rupees
12 LEASE LIABILITIES			
Present value of minimum lease payments		36,589,947	48,618,353
Less: Current portion of lease obligations	- note 12.2	(14,431,961)	(12,028,406)
		22,157,986	36,589,947

12.1 Reconciliation of minimum lease payments with its present value is as follows:

	Minimum lease payments	Un-amortized future finance cost	Present value of minimum lease payments
----- Rupees -----			
For the year ended 30 June 2022			
Payable not later than one year	19,971,480	5,540,430	14,431,050
Payable later than one year but not later than five years	24,964,350	2,805,453	22,158,897
	44,935,830	8,345,883	36,589,947
For the year ended 30 June 2021			
Payable not later than one year	19,971,480	7,943,074	12,028,406
Payable later than one year but not later than five years	44,935,830	8,345,883	36,589,947
	64,907,310	16,288,957	48,618,353

		2022 Rupees	2021 Rupees
12.2 Movement in obligation against leases is as under:			
Opening For the Period		48,618,353	58,644,134
Less: Down payment at the rate of 10%		-	-
		48,618,353	58,644,134
Less: Repayment of lease obligations during the year		(12,028,406)	(10,025,781)
At end of the year		36,589,947	48,618,353
Less: Current portion of lease obligations		(14,431,050)	(12,028,406)
Present value of minimum lease payments		22,158,897	36,589,947

12.2.1 Terms and conditions of the lease arrangement

Lessor	The above represents finance lease entered into with M/s. Orix Leasing Pakistan Limited for lease of plant and machinery.
Repayment	The liability under the agreement is payable in sixty (60) monthly installments and will mature on September 2024.
Finance cost	The lease facility is subject to annual finance charge of 18.35% (2020: 18.35%).
Security	The arrangement is secured against hypothecation and registered specific charge of Rs. 107.085 Million on specific plant and machinery of the Company.
Purchase Option	The Company intends to exercise its option to purchase the leased assets upon completion of the lease term.



	2022 RUPEES	2021 RUPEES
13 DEFERRED TAXATION		
Deferred tax liability on taxable temporary differences	181,130,223	180,541,781
Accelerated depreciation on property, plant and equipment	7,756,485	6,309,089
Lease finances	87,380,218	96,683,634
Surplus on revaluation of property, plant and equipment	276,266,926	283,534,504
Deferred tax asset on deductible temporary differences	(24,869,131)	(19,814,787)
Provision for Gratuity	(65,299,201)	-
Other Provisions (minimum taxes and business losses)	13.2	-
	(90,168,332)	(19,814,787)
	186,098,594	263,719,717

The company has recognized deferred tax asset on minimum tax and expects its significant reversal in future as per the relevant provisions of Income Tax Ordinance 2001 and IAS 12.

13.1 Movement in deferred tax due to taxable / (deductible) temporary differences -

	Opening balance	Revaluation surplus	Profit and loss account	Other comprehensive income	Closing balance
	----- Rupees -----				
As at 30 June 2022					
Accelerated depreciation	180,541,781	-	588,442	-	181,130,223
Surplus on revaluation of assets	96,683,634	-	(9,303,416)	-	87,380,218
Lease finances	6,309,089	-	1,447,396	-	7,756,485
Other Provisions	-	-	(65,299,201)	-	(65,299,201)
Provision for Gratuity	(19,814,787)	-	(4,415,860)	(638,484)	(24,869,131)
	263,719,717	-	(76,982,639)	(638,484)	186,098,594
As at 30 June 2021					
Accelerated depreciation	178,410,423	-	2,131,358	-	180,541,781
Surplus on revaluation of assets	106,999,421	-	(10,315,787)	-	96,683,634
Lease finances	5,675,427	-	633,662	-	6,309,089
Other Provisions	(107,412,122)	-	107,412,122	-	-
Provision for Gratuity	(13,005,807)	-	(4,983,303)	(1,825,677)	(19,814,787)
	170,667,342	-	94,878,052	(1,825,677)	263,719,717

13.2 Other provisions have been realized/adjusted during the year.

13.3 Rate Reconciliation with current tax and deferred tax

Profit/(Loss) before tax	222,219,196	439,150,493
Admissible	(160,089,782)	(247,782,262)
In -admissible	216,960,804	219,778,269
Tax @ 29%	80,936,163	119,232,485
Minimum Tax adjustments	59,379,595	(41,721,047)
Minimum Tax payable	151,479,367	77,511,438
Deferred tax difference- on taxable temporary difference	(7,267,578)	(7,550,767)
Deferred tax Difference- on deductible temporary difference	(69,715,061)	102,428,819
	74,496,728	172,389,490
Prior year adjustment	(86,328,542)	-
Total tax	(11,831,814)	172,389,490



	2022 Rupees	2021 Rupees
14 DEFERRED LIABILITIES		
Defined gratuity benefit plan - note 14.1	85,755,625	68,326,851
14.1 Reconciliation of present value of defined benefit obligation		
Obligation at beginning of the year	68,326,851	44,847,611
Charge for the year		
- Profit and loss account - note 14.2.1	23,827,710	22,755,479
- Other comprehensive income - note 14.2.2	2,201,668	6,295,438
	26,029,378	29,050,917
Benefits paid during the year	(8,600,604)	(5,571,677)
Obligation at end of the year	85,755,625	68,326,851
14.2 Reconciliation of present value of defined benefit obligation		
Present value of defined benefit obligations	68,326,851	44,847,611
Current service cost	17,425,055	14,657,664
Past service cost	-	4,522,564
Interest cost on defined benefit obligations	6,402,655	3,575,251
Benefits paid during the year	(8,600,604)	(5,571,677)
Remeasurements recognized in other comprehensive income		
Actuarial (gain)/losses from changes in financial assumptions	865,900	68,746
Experience adjustments	1,335,768	6,226,692
	2,201,668	6,295,438
At end of the year	85,755,625	68,326,851
14.2.1 Charge to profit and loss account		
Current service cost	17,425,055	14,657,664
Past service cost	-	4,522,564
Interest cost	6,402,655	3,575,251
	23,827,710	22,755,479
14.2.2 Remeasurements recognized in other comprehensive income		
Actuarial loss due to changes in financial assumptions	865,900	68,746
Actuarial (gain) / loss due to Experience adjustments	1,335,768	6,226,692
Net actuarial (gain) / loss for the year	2,201,668	6,295,438
	2022	2021
	----- % age per annum -----	
14.3 Assumptions used for valuation of the defined benefit scheme for employees are as under:		
Valuation discount rate for interest cost in profit and loss	10	8.5
Valuation discount rate for year end liabilities	13.25	10.0
Expected rate of increase in salary		-
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
Retirement age	60 years	60 years

The actuarial valuation was done by Independent valuers (Nauman Associates - Consulting Actuaries)

14.4 Year end sensitivity analysis on present value of defined benefit obligations -

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the net defined benefit obligation as at 30 June 2021 would have been as follows:

	30 / Jun / 2022		30 / Jun / 2021	
	Variation of 100 bps		Variation of 100 bps	
	Increase	Decrease	Increase	Decrease
	----- Rupees -----		----- Rupees -----	
Discount rate	73,633,227	79,741,710	63,726,240	73,633,227
Future salary	79,741,710	73,633,227	73,633,227	63,646,913

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

14.5 Expected expense for next year

The expected expense to be charged in profit and loss in respect of the gratuity scheme for the year ending 30 June 2023 would be Rs. 23,827,710.

14.6 Average duration of the obligation

Weighted average duration of the defined benefit obligation is 7 (2021: 7) years gratuity plan.

14.7 Exposure of actuarial risk

The plans expose the Company to the actuarial risks such as:

- a) **Salary risks** The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.
- b) **Mortality / withdrawal risks** The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.



	2022 Rupees	2021 Rupees
15 TRADE AND OTHER PAYABLES		
Creditors	1,999,962,782	570,568,280
Advances from customers - note 15.1	733,606,955	271,737,351
Accrued expenses	197,565,479	129,646,175
Deposits - note 15.2	1,179,680	1,142,856
Workers' profit participation fund - note 15.3	14,259,248	23,584,881
Sales tax payable	-	-
Other payables	80,062,727	17,719,159
	3,026,636,871	1,014,398,702

15.1 Advance from customer also includes sales tax payables.

15.2 Deposits

These represent interest free deposits received from various contractors / suppliers. The amount received have been utilized for business in accordance with the written agreements with them.

15.3 Workers' profit participation fund

	2022 Rupees	2021 Rupees
At beginning of the year	23,584,881	-
Add: Provision for the year	14,259,248	23,584,881
Less: Paid during the year	(23,584,881)	-
At end of the year	14,259,248	23,584,881

16 UNCLAIMED DIVIDENDS

16.1 This represents unclaimed dividends as on the reporting date.

16.2 The company has paid Rs. 39,879 regarding unclaimed dividend to the respective members of the Company.

16.3 The Company has provided the list of members to the SECP. After confirmation from the SECP, the company will give notice to the concerned shareholders. The company has complied with the requirements of Section 244 of the Companies Act, 2017 to the extent and manner as applicable.

17 MARK-UP ACCRUED ON BORROWINGS

Cash finances	12,628,266	11,691,954
Short-term borrowings- FATR/FIM	69,350,058	54,354,276
Mark up on long term loan- CF/FATR	9,293,370	3,884,043
Mark up on lease liabilities	-	2,603,050
	91,271,694	72,533,323

18 SHORT-TERM BORROWINGS

Cash finances		
- Bank of Punjab Limited - note 18.1	-	149,686,224
- National Bank of Pakistan - note 18.2	166,945,408	166,945,408
	166,945,408	316,631,632
FATR / FIM		
- Bank of Punjab Limited - note 18.3	-	200,000,000
- National Bank of Pakistan - note 18.4	694,989,535	694,989,535
- Soneri Bank Limited - note 18.5	214,439,418	141,549,505
	909,428,953	1,036,539,040
	1,076,374,361	1,353,170,672



Name of Bank Facility Type	Interest	----- Security -----	30 / Jun / 2022		30 / Jun / 2021	
			Facility Limit	Facility Aailed	Facility Limit	Facility Aailed
			----- Rupees -----			
18.1 Bank of Punjab Limited Cash finances	3 months KIBOR plus 225 bps (2021: 3 months KIBOR plus 225 bps) per annum, payable quarterly.	It is secured against first hypothecation charge on all present and future current and fixed assets of the Company for Rs. 434 million, ranking charge of Rs. 50 million on fixed assets and personal guarantees of directors of the Company. The company has entered into rescheduling agreement with the bank on May 26, 2022 with respect to payment of principal and mark up. The loan has been classified into current and non current liability as per the stated terms of the agreement.	350,000,000	145,482,536	350,000,000	149,686,224
18.2 National Bank of Pakistan Cash finances	3 months KIBOR plus 250 bps (2021: 3 months KIBOR plus 250 bps) per annum, payable quarterly.	It is secured against open pledge of local scrap and pledge of finished goods (billets, steel bars, girders and iron rods) in the godown with 15% margin and personal guarantees of all directors of the Company.	300,000,000	166,945,408	300,000,000	166,945,408
18.3 Bank of Punjab Limited FATR / FIM	3 months KIBOR plus 225 bps (2021: 3 months KIBOR plus 225 bps) per annum, payable quarterly.	It is secured against ranking charge of Rs. 267 million over specific receivables. First pari passu charge on current and fixed assets of Rs. 434 million and personal guarantees of all directors of the Company. See note 18.1.	200,000,000	194,364,041	200,000,000	200,000,000
18.4 National Bank of Pakistan FATR / FIM	3 months KIBOR plus 200 bps (2021: 3 months KIBOR plus 200 bps) per annum.	It is secured against pledge of import material and ranking charge of Rs. 900 million over current and fixed assets of the Company and personal guarantees of all directors of the Company.	900,000,000	694,989,535	900,000,000	694,989,535
18.5 Soneri Bank Limited FATR / FIM	3 months KIBOR plus 250 bps (2021: 3 month KIBOR plus 250 bps) per annum.	It is secured against pari passu charge over current assets of Rs. 334 million. Mortgage / Hypothecation over land, building and machinery of Rs. 160 million and personal guarantees of the directors.	200,000,000	141,549,505	200,000,000	141,549,505
			1,950,000,000	1,343,331,025	1,950,000,000	1,353,170,672

19 CURRENT PORTION OF LONG TERM LIABILITIES

Long Term Loan	27,680,000	-
Current portion of lease obligations	14,431,961	-
	42,111,961	-

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

(a) The Company is in litigation with National Bank of Pakistan ('NBP') wherein NBP had filed suits bearing # COS 22222/2019 and COS 67073/2019 before High Court against the Company for recovery of Rs. 887.812 million. The Company had filed counter suits against NBP, as below:

- i) The Company had filed a suit bearing # COS 217367/2018 before the High Court against NBP's claims of certain facilities of letters of credit.
- ii) The Company with other claimants filed a suit bearing # COS 18377/2019 before High Court for recovery of Rs. 942.50 million on account of damages. The said petition is pending adjudication.
- iii) The Company had filed a suit before Banking Court IV, Lahore against NBP's attempt to include the name of the Company on 'electronic credit information bureau' ('E-CIB') of State Bank of Pakistan. The said court had allowed an interim relief to the Company by issuing a stay order. The matter is pending adjudication.

The management and legal counsel of the Company is of the view that these cases are likely to be decided in favor of the Company. The company is contesting all these cases vigorously and legal consultants is of the view that the said matters would be decided in favor of the company, therefore no provision has been recognized as per IAS 37 in the financial statements.

- (b) Bank guarantees amounting to Rs. 114,913,110 (2021: Rs. 114,825,610) had been issued in favours of the Company by various financial institutions.

	2022 Rupees	2021 Rupees
20.2 Commitments		
Irrevocable letters of credit/contracts	977,106,230	30,513,385
Capital expenditure contracted for but not incurred	-	71,908,212

21 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	- note 21.1	1,905,558,661	1,922,129,891
Capital work-in-progress	- note 21.6	-	58,091,788
		1,905,558,661	1,980,221,679

Classification of assets	COST / FAIR VALUE					ACCUMULATED DEPRECIATION					WRITTEN DOWN VALUE at end of the period	
	Cost at beginning of the period	Cost addition / Transfer during the period	Disposal / Transfer during the period	Capitalization of unallocated expenditure	Cost at end of the period	Annual Rate of Depreciation	Accumulated Depreciation at beginning of the period	Adjustment on Disposal / Transfer	Depreciation for the year	Accumulated Depreciation at end of the period		
	Rupees					% age	Rupees					
Own assets												
Land - freehold	33,322,002	-	-	-	33,322,002	-	-	-	-	-	-	33,322,002
Land - Revaluation	338,684,248	-	-	-	338,684,248	-	-	-	-	-	-	338,684,248
Building on freehold land	561,642,154	36,659,320	-	-	598,301,474	5%	172,156,102	-	19,479,325	191,635,427	-	406,666,047
Building- Revaluation	45,357,943	-	-	-	45,357,943	5%	20,189,123	-	1,258,441	21,447,564	-	23,910,379
Plant and machinery	1,205,255,431	79,145,446	-	-	1,284,400,877	10%	568,675,895	-	63,679,637	632,355,532	-	652,045,345
Plant and machinery-Revaluation	702,082,162	-	-	-	702,082,162	10%	393,859,140	-	30,822,302	424,681,442	-	277,400,720
Grid station	57,279,039	-	-	-	57,279,039	10%	44,830,613	-	1,244,843	46,075,456	-	11,203,583
Electric installation and equipment	293,055,910	2,608,600	-	-	295,664,510	10%	138,332,220	-	15,473,084	153,805,304	-	141,859,206
Laboratory equipment	11,982,088	-	-	-	11,982,088	10%	8,791,229	-	319,086	9,110,315	-	2,871,773
Loose tools	302,509	-	-	-	302,509	10%	236,765	-	6,574	243,339	-	59,170
Office equipment	10,488,549	735,700	-	-	11,224,249	20%	5,375,462	-	1,104,668	6,480,130	-	4,744,119
Furniture and fixture	6,985,413	375,400	(183,900)	-	7,176,913	10%	4,303,345	(6,575)	279,238	4,576,008	-	2,600,905
Arms and ammunition	146,013	-	-	-	146,013	10%	113,746	-	3,227	116,973	-	29,040
Motor vehicles	30,450,030	274,520	(273,600)	-	30,450,950	20%	18,039,962	(233,150)	2,482,014	20,288,826	-	10,162,124
Sub-total	3,297,033,491	119,798,986	(457,500)	-	3,416,374,977		1,374,903,602	(239,725)	136,152,439	1,510,816,316	-	1,905,558,661
Assets subject to finance lease												
Plant and machinery	78,214,573	-	-	-	78,214,573	10%	7,840,743	-	7,037,383	14,878,126	-	63,336,447
Arms and ammunition	-	-	-	-	-	0%	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	0%	-	-	-	-	-	-
Sub-total	78,214,573	-	-	-	78,214,573		7,840,743	-	7,037,383	14,878,126	-	63,336,447
Capital work in progress												
Building	-	-	-	-	-	0%	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	0%	-	-	-	-	-	-
Arms and ammunition	-	-	-	-	-	0%	-	-	-	-	-	-
Grand Total Current Period	3,375,248,064	119,798,986	(457,500)	-	3,494,589,550		1,382,744,345	(239,725)	143,189,822	1,525,694,442	-	1,968,895,108

Depreciation for the period has been allocated as under:

	2022	2021	
Cost of goods manufactured	95%	129,344,817	124,291,330
Cost of goods manufactured (Lease)		7,037,383	7,819,314
Administrative expenses	5%	6,807,622	6,541,649
Total depreciation during the year		143,189,822	138,652,293

Classification of assets	COST / FAIR VALUE					ACCUMULATED DEPRECIATION					WRITTEN DOWN VALUE at end of the period	
	Cost at beginning of the period	Cost addition / Transfer during the period	Disposal / Transfer during the period	Capitalization of unallocated expenditure	Cost at end of the period	Annual Rate of Depreciation	Accumulated Depreciation at beginning of the period	Adjustment on Disposal / Transfer	Depreciation for the year	Accumulated Depreciation at end of the period		
	Rupees					% age	Rupees					
Own assets												
Land - freehold	33,322,002	-	-	-	33,322,002	0%	-	-	-	-	-	33,322,002
Land - Revaluation	338,684,248	-	-	-	338,684,248	-	-	-	-	-	-	338,684,248
Building on freehold land	486,186,759	75,455,395	-	-	561,642,154	5%	154,881,311	-	17,274,791	172,156,102	-	389,486,052
Building- Revaluation	45,357,943	-	-	-	45,357,943	5%	18,864,448	-	1,324,675	20,189,123	-	25,168,820
Plant and machinery	1,077,245,153	129,360,278	(1,350,000)	-	1,205,255,431	10%	507,715,984	234,225	61,194,136	568,675,895	-	636,579,536
Plant and machinery-Revaluation	702,082,162	-	-	-	702,082,162	10%	359,612,138	-	34,247,002	393,859,140	-	308,223,022
Grid station	57,279,039	-	-	-	57,279,039	10%	43,447,455	-	1,383,158	44,830,613	-	12,448,426
Electric installation and equipment	220,297,716	72,758,194	-	-	293,055,910	10%	126,596,389	-	11,735,831	138,332,220	-	154,723,690
Laboratory equipment	11,232,088	750,000	-	-	11,982,088	10%	8,519,794	-	271,434	8,791,228	-	3,190,860
Loose tools	302,509	-	-	-	302,509	10%	229,460	-	7,305	236,765	-	65,744
Office equipment	8,720,439	1,768,110	-	-	10,488,549	20%	4,398,721	-	976,740	5,375,461	-	5,113,088
Furniture and fixture	6,736,033	249,380	-	-	6,985,413	10%	4,019,272	-	284,073	4,303,345	-	2,682,068
Arms and ammunition	146,013	-	-	-	146,013	10%	110,161	-	3,585	113,746	-	32,267
Motor vehicles	22,099,598	8,450,432	(100,000)	-	30,450,030	20%	15,979,639	69,926	2,130,249	18,039,962	-	12,410,068
Sub-total	3,009,691,702	288,791,789	(1,450,000)	-	3,297,033,491		1,244,374,772	304,151	130,832,979	1,374,903,600	-	1,922,129,891
Assets subject to finance lease												
Plant and machinery	78,214,573	-	-	-	78,214,573	10%	7,840,743	-	7,819,314	14,878,126	-	70,373,830
Arms and ammunition	-	-	-	-	-	0%	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	0%	-	-	-	-	-	-
Sub-total	78,214,573	-	-	-	78,214,573		7,840,743	-	7,819,314	14,878,126	-	70,373,830
Grand Total Current Period	3,087,906,275	288,791,789	(1,450,000)	-	3,375,248,064		1,244,396,201	304,151	138,652,293	1,382,744,343	-	1,992,503,721

Depreciation for the period has been allocated as under:

	2021	2020	
Cost of goods manufactured	95%	124,291,330	110,256,791
Cost of goods manufactured (Lease)		7,819,314	21,429
Administrative expenses	5%	6,541,649	5,802,989
Total depreciation during the year		138,652,293	116,081,209

21.2 Revaluation of property, plant and equipment

Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets would be as under:

	30 / June / 2022			30 / June / 2021		
	Cost	Accumulated Depreciation	Book value	Cost	Accumulated Depreciation	Book value
	----- Rupees -----			----- Rupees -----		
Freehold land	33,322,002	-	33,322,002	33,322,002	-	33,322,002
Buildings on freehold land	598,301,474	191,635,427	406,666,047	561,642,154	172,156,102	389,486,052
Plant and machinery	1,284,400,877	632,355,532	652,045,345	1,205,255,431	568,675,895	636,579,536
	823,990,959	1,092,033,394	1,800,219,587	1,800,219,587	740,831,997	1,059,387,590

21.3 Disposal of property, plant and equipment

This represents disposal of motor cycles having book value less than Rs. 500,000. These are disposed in lieu of the policy of the Company.

Particulars	Cost	Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Relationship With
Asset Buyer	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	Company
2022 Vehicles	273,600	233,150	40,450	82,000	41,550	Security Guards
2022 Furniture and fixture	183,900	6,575	177,325	177,325	-	Asset exchange with Store Party

21.4 Particulars of immoveable property (freehold land and buildings on freehold land) in the name of the Company are as follows:

Location	Usage of Property	Total area (In Acres)	Covered area (In Square Feet)
8 KM, Manga Mandi, Raiwind Road, District Kasur	Manufacturing Facility	53.50 Acres	1,296,182
40 B/II, Gulberg III, M. M. Alam Road, Lahore	Head Office	0.21 Acres	7,513

21.5 Depreciation for the tax year has been allocated as follows:

		2022 RUPEES	2021 RUPEES
Cost of sales	- note 32	136,382,200	124,291,330
Administrative expenses	- note 35	6,807,622	6,541,649
		143,189,822	130,832,979

21.6 Capital work-in-progress

	Buildings on freehold land	Plant and machinery	Electric equipment	Aggregate
	----- Rupees -----			
As at 30 June 2022				
Beginning balance	1,081,052	57,010,736	-	58,091,788
Additions		-	-	-
Transfers	(1,081,052)	(57,010,736)	-	(58,091,788)
Closing balance	-	-	-	-
As at 30 June 2021				
Beginning balance	25,698,613	77,306,511	-	103,005,124
Additions	540,526	57,147,924	-	57,688,450
Transfers	(25,158,087)	(77,443,699)	-	(102,601,786)
Closing balance	1,081,052	57,010,736	-	58,091,788

		2022 Rupees	2021 Rupees
22 RIGHT-OF-USE ASSETS			
Plant and machinery acquired on lease	21.1	70,373,830	78,193,144
Add: Further expense incurred by the Company		-	-
		70,373,830	78,193,144
Less: Depreciation on right-of-use assets (On no. of days basis)		(7,037,383)	(7,819,314)
		63,336,447	70,373,830
Useful life		10 years	10 years
23 LONG-TERM DEPOSITS			
Deposits with various institutions	- note 23.1	18,972,226	18,972,226
23.1 Movement during the year is as follows:			
At beginning of the year		18,972,226	18,972,226
Add: Deposits during the year		-	-
At end of the year		18,972,226	18,972,226

These are interest free refundable deposits with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IFRS-9 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

24 STORES, SPARE PARTS AND LOOSE TOOLS

Stores	317,660,532	320,245,749
Spare parts	52,514,134	52,671,106
Loose tools	400,752	2,882,851
	370,575,418	375,799,706



	2022	2021
	RUPEES	RUPEES
25 STOCKS IN TRADE		
Raw material	1,494,943,072	833,444,110
Finished goods	1,859,438,979	1,585,094,444
	3,354,382,051	2,418,538,554

25.1 Stocks are pledged with financial institutions against short-term borrowings availed by the Company.

26 TRADE DEBTS		
Local - unsecured		
Considered good	15,949,509	13,869,138
Considered doubtful	2,071,209	4,265,170
	18,020,718	18,134,308
Less: Provision for doubtful debts	- note 26.1 (2,071,209)	(4,265,170)
	15,949,509	13,869,138
Local - secured and considered good	- note 26.2 2,053,188,570	1,552,645,624
	2,069,138,079	1,566,514,762

26.1 Provision for doubtful debts

Add: Provision for the year	- note 36 2,071,209	4,265,170
Less: Write off against provision	(2,071,209)	(4,265,170)
Balance at end of the year	-	-

26.2 Local - secured and considered good

These receivables are secured against cheque obtained from respective parties.

26.3 Ageing of trade debts

Past due 0 - 30 days	724,198,328	471,233,980
Past due 31 - 60 days	1,034,569,040	769,682,166
Past due 61 - 365 days	268,987,950	240,295,212
Past due over 365 days	41,424,186	85,303,404
	2,069,138,079	1,566,514,762

27 LOANS AND ADVANCES

Advances to: (unsecured but considered good)

- Employees		
against salaries	1,458,370	1,061,325
against expenses	2,874,166	2,653,774
	4,332,536	3,715,099
- Suppliers	141,481,496	309,405,602
	145,814,032	313,120,701
Letters of credits	169,567,491	111,388,468
	315,381,523	424,509,169

27.1 Advances to employees against expenses

These advances are made in the regular business requirements and settled in the accomplishment of the project for which advances are initiated.



		2022 Rupees	2021 Rupees
28 TRADE DEPOSITS AND PREPAYMENTS			
Prepayments		6,834,714	7,576,672
Trade deposits		20,931,603	18,723,092
Guarantee margins		114,913,110	114,825,610
		142,679,427	141,125,374
29 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax recoverable	- note 29.1	228,923,516	196,732,701
Sales tax refundable	- note 29.2	234,395,245	228,269,583
		463,318,761	425,002,284
29.1 Income tax recoverable			
At beginning of the year		196,732,701	140,127,688
Add: Advance income tax / deductions during the year		191,158,424	143,078,706
		299,958,591	283,206,394
Less: Provision for taxation -	- note 38		
- Current year		(151,479,367)	(77,511,438)
- Prior periods		86,328,542	-
		(65,150,825)	(77,511,438)
Less: Workers' welfare fund	- note 36	(5,884,250)	(8,962,255)
At end of the year		228,923,516	196,732,701
29.2 Sales tax refundable			
It represents accumulated differences of input tax on purchases and sales tax payable.			
30 CASH AND BANK BALANCES			
In hand		5,601,082	5,150,967
With banks			
- On current accounts		341,103,155	24,663,632
- On saving accounts	- note 30.1	470,063,978	4,185,805
		811,167,133	28,849,437
		816,768,215	34,000,404
30.1	The profit rate in respect of savings accounts ranges between 5.50% and 10.25% per annum (2021: 5.50% to 9.25% per annum) and is recognized on receipt basis)		



	2022	2021
	Rupees	Rupees
31 SALES - NET		
Gross sales	13,133,554,921	7,255,070,628
Less: Sales tax	(1,908,294,300)	(1,054,155,558)
Net sales	11,225,260,621	6,200,915,070
32 COST OF SALES		
Consumption		
- Raw material - note 32.1	8,442,781,411	4,337,912,730
- Stores, spare parts and loose tools	435,399,820	242,283,386
	8,878,181,231	4,580,196,116
Salaries, wages, allowances and other benefits - note 32.2	277,713,145	230,498,983
Fuel and power	1,477,581,405	1,131,746,184
Vehicle running and maintenance	5,184,812	5,055,012
Repairs and maintenance	153,281,246	101,633,571
Freight and forwarding	14,910,573	8,136,540
Insurance	4,947,771	4,712,669
Laboratory	1,148,998	759,057
Traveling and conveyance	9,083,716	2,864,333
Entertainment	2,294,701	2,395,777
Other manufacturing overheads	29,875,520	10,594,831
Depreciation on property, plant and equipment - note 21.5	129,344,817	124,291,330
Depreciation on right-of-use assets - note 22	7,037,383	7,819,314
Cost of goods manufactured	10,990,585,318	6,210,703,717
Adjustment of finished goods		
Opening stocks	1,585,094,444	929,357,859
Less: Closing stocks	(1,859,438,979)	(1,585,094,444)
	(274,344,535)	(655,736,585)
	10,716,240,783	5,554,967,132
32.1 Raw material consumed		
Opening stocks	833,444,110	690,097,755
Add: Purchases and related direct cost	9,104,280,373	4,481,259,085
Less: Closing stocks	(1,494,943,072)	(833,444,110)
Raw material consumed	8,442,781,411	4,337,912,730
32.2 Salaries, wages, allowances and other benefits		
Salaries, wages, allowances and other benefits includes employee retirement benefits amounting to Rs. 19,616,638 (2021: Rs. 15,018,616)		
33 OTHER OPERATING INCOME		
On financial assets		
Return on bank deposits	10,358,162	3,994,093
On non-financial assets		
Gain on disposal of property, plant and equipment - note 21.3	41,540	1,926
Others	75,620	5,450,531
	117,160	5,452,457
	10,475,322	9,446,550



		2022 Rupees	2021 Rupees
34 DISTRIBUTION AND SELLING COST			
Salaries and allowances	- note 34.1	10,831,183	8,763,549
Packing materials		23,090,307	12,470,952
Rebates and commission		257,910	377,181
Handling and carriage		10,406,650	12,864,378
Advertisement		28,865,393	23,863,505
Others		11,245,187	7,644,090
		84,696,630	65,983,655
34.1 Salaries and allowances			
Salaries and allowances includes employee retirement benefits amounting to Rs. 897,677 (2021: Rs. 910,219).			
35 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and allowances	- note 35.1	58,521,350	49,484,477
Travelling and conveyance		1,412,196	1,397,225
Entertainment		454,125	355,977
Vehicle running and maintenance		9,495,402	6,555,510
Printing and stationary		1,380,226	1,143,251
Communication		1,635,940	1,058,250
Electricity and sui gas		1,327,308	2,053,435
Legal and professional		2,655,471	2,871,356
Fee and subscription		2,759,119	2,696,438
Insurance expenses		962,835	845,930
Other expenses		917,427	873,744
Depreciation on property, plant and equipment	- note 21.5	6,807,622	6,541,649
		88,329,021	75,877,242
35.1 Salaries and allowances			
Salaries and allowances includes employee retirement benefits amounting to Rs. 3,313,394 (2021: Rs. 6,826,644).			
36 OTHER OPERATING COST			
Charity and donation	- note 36.1	1,200,000	258,300
Auditor's remuneration	- note 36.2	1,870,000	1,870,000
Service cost		45,672,532	-
Provision for workers' profit participation fund	- note 15.3	14,259,248	23,584,881
Provision for workers' welfare fund	- note 29.1	5,884,250	8,962,255
Provision for doubtful debts	- note 26.1	2,071,209	4,265,170
		70,957,239	38,940,606
36.1 Charity and donation			
This represents donations to various individuals and none of the directors are interested in the donee.			
36.2 Auditor's remuneration			
Audit fee		1,600,000	1,600,000
Fee for review of half yearly financial statements		220,000	220,000
Certifications and other advisory services		30,000	30,000
Out of pocket expenses		20,000	20,000
		1,870,000	1,870,000

37 FINANCE COST

Mark-up on:

- Short-term borrowings- FATR/FIM
- Mark up on long term loan -CF/FATR
- Provision for mark up on restructured loan (BOP)
- Lease liabilities

19,561,307	23,509,597
9,293,370	-
16,224,304	-
6,074,580	9,945,669
51,153,561	33,455,266
-	1,323,748
2,139,513	663,478
53,293,074	35,442,492

Foreign currency translation loss

Bank charges and commission

2022
Rupees

2021
Rupees

38 TAXATION

Current

- note 29.1

151,671,863

77,511,438

Prior periods

- note 29.1

(86,328,542)

-

Deferred

- note 13

(76,982,639)

94,878,052

(11,831,814)

172,389,490

38.1 Current

Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.

38.2 Prior periods assessments

Income tax assessments of the Company have been finalized up to tax year 2020 in accordance with the deeming provisions under section 120 (1) of the Ordinance.

38.3 Numerical reconciliation between average and applicable tax rate

Applicable tax rate

2022

2021

29 %

29 %

No % reconciliation has been provided as the company has charged provision for taxation on minimum tax basis as per section 113 of Income Tax Ordinance, 2001. Numerical calculation has been provided in note no. 13.3.

39 EARNINGS PER SHARE (BASIC AND DILUTED)

(Loss) / Profit attributable to ordinary equity holders

Rs.

234,051,010

266,761,003

Weighted average number of outstanding ordinary shares

No.

144,343,364

144,343,364

(Loss) / Earnings per share - basic

Rs.

1.62

1.85

39.1 There is no anti-dilutive / dilutive effect on the basic earnings per share of the Company. Moreover, there are no anti-dilutive / dilutive potential ordinary shares outstanding as at 30 June 2022 and 2021.



	2022 RUPEES	2021 RUPEES
40 CASH GENERATED FROM OPERATIONS		
(Loss) / Profit before tax	222,219,196	439,150,493
Adjustments for non-cash expenses and other items:		
Depreciation on property and equipment - note 21.5	136,152,439	130,832,979
Depreciation on right-to-use assets - note 22	7,037,383	7,819,314
Provision for staff retirement benefits - note 14.2.1	23,827,710	22,755,479
Gain on disposal of property and equipment - note 21.3	(41,540)	(1,926)
Finance cost - note 37	53,293,074	35,442,492
Provision for workers' profit participation - note 15.3	14,259,248	23,584,881
Provision for workers' welfare	5,884,250	8,962,255
Provision for doubtful debts - note 26.1	2,071,209	4,265,170
	242,483,773	233,660,644
Operating profit before working capital changes	464,702,969	672,811,137
Working capital changes		
(Increase) / Decrease in current assets:		
Stores, spare parts and loose tools	5,224,288	(70,498,792)
Stocks in trade	(935,843,497)	(799,082,940)
Trade debts	(504,694,526)	45,038,172
Loans and advances	109,127,646	(35,220,712)
Trade deposits and prepayments	(1,554,053)	(10,073,519)
Tax refunds due from government	(6,125,662)	(63,707,630)
(Decrease) / Increase in trade and other payables	2,021,563,802	489,665,076
	687,697,998	(443,880,345)
Cash generated from operations	1,152,400,967	228,930,792



41 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance relating to the entity. The Company has exposure to the following risks from its use of financial instruments: risks to

- a) Credit risk;
- b) Liquidity risk; and
- c) Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

41.1 Risk management framework:

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company. Risk management systems are reviewed regularly by the executive management team to reflect changes in standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

41.2 Credit risk:

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

41.2.1 Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

At amortized cost	30 / Jun / 2022 30 / Jun / 2021	
	Rupees	Rupees
Trade debts - unsecured	2,069,138,079	1,566,514,762
Bank balances	811,167,133	28,849,437
Trade deposits	135,844,713	133,548,702
	3,016,149,925	1,728,912,901

41.2.2 Credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

(a) Counterparties without external credit ratings

The aging of trade debts at the reporting date is reported in note 26.3 to the financial statements.

The Company has a policy to provide for impairment of expected credit loss based upon the age analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

(b) Other financial assets

Based on past experience the management believes that no impairment allowance is necessary in respect of receivables from related parties, security deposits and advances, loan from directors and accrued interest on loan to director if any as there are reasonable grounds to believe that these balances will be recovered.

(a) Counterparties with external credit ratings

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating as of 2022			30/Jun/22	30/Jun/21
	Short-term	Long-term	Agency	RUPEES	RUPEES
Habib Bank Limited	A-1+	AAA	JCR-VIS	81,122,873	12,638,379
MCB Bank Limited	A-1+	AAA	PACRA	196,835,648	(13,420)
United Bank Limited	A-1+	AAA	JCR-VIS	59,374,331	4,393,631
Bank Alfalah Limited	A-1+	AA+	JCR-VIS	(246,257)	142,270
Faysal Bank Limited	A-1+	AA	JCR-VIS	12,967,249	4,466,785
The Bank of Punjab	A-1+	AA+	PACRA	10,000,937	10,000,937
JS Bank Limited	A-1+	AA-	PACRA	12,493,955	626,401
Soneri Bank Limited	A-1+	AA-	PACRA	(268,500)	1,403,066
Bank Islami Limited	A-1	A+	PACRA	487,030	487,030
Askari Bank Limited	A-1+	AA+	PACRA	275,620,864	4,212,390
National Bank of Pakistan	A-1+	AAA	JCR-VIS	41,780	41,780
Samba Bank Limited	A-1	AA	JCR-VIS	37,691	202,347
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	60,486,667	2,241,034
Meezan Bank Limited	A-1+	AAA+	JCR-VIS	36,536,745	(11,162,618)
Apna Microfinance Bank Limited	A-3	BBB+	PACRA	38,616	38,616
Allied Bank Limited	A-1+	AAA	PACRA	65,130,259	(1,376,436)
Summit Bank Limited	A-3	BBB-	JCR-VIS	1,397	1,397
Silk Bank Limited	A-2	A-	JCR-VIS	505,848	505,848
				811,167,133	28,849,437

41.2.3 Concentration of credit risk:

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all transactions are entered into with credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

	30 / Jun / 2022	30 / Jun / 2021
	Rupees	Rupees
Trade debts - unsecured	2,069,138,079	1,566,514,762
Banks	811,167,133	28,849,437
Trade deposits	135,844,713	133,548,702
	<u>3,016,149,925</u>	<u>1,728,912,901</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

The Company recognizes ECL for trade debts using the simplified approach described below,

	Past due 0 - 30 days	Past due 31 - 60 days	Past due 61 - 365 days	Past due over 365 days	
Balance as at June 30, 2022	724,198,328	1,034,569,040	268,987,950	43,453,970	2,071,209,288
Loss allowance	-	-	-	(2,071,209)	(2,071,209)
	<u>724,198,328</u>	<u>1,034,569,040</u>	<u>268,987,950</u>	<u>41,382,761</u>	<u>2,069,138,079</u>
Balance as at June 30, 2021	769,682,166	471,233,980	240,295,212	89,568,574	1,570,779,932
Loss allowance	-	-	-	(4,265,170)	(4,265,170)
	<u>769,682,166</u>	<u>471,233,980</u>	<u>240,295,212</u>	<u>85,303,404</u>	<u>1,566,514,762</u>

As at the reporting date, Company envisages that default risk on account of non-realization of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2022	2021
	Rupees	Rupees
Gross carrying amount		
Trade deposits	135,844,713	133,548,702
Loss allowance	-	-
	<u>135,844,713</u>	<u>133,548,702</u>

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

41.3 Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations 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. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board. The company is currently under litigation with various banks as disclosed in note. no 19.

40.3.1 Exposure to liquidity risk:

- (a) Contractual maturities of financial liabilities, including estimated interest payments.

The following are the remaining contractual maturities of financial liabilities:

30 / June / 2022				
Financial liabilities	Carrying amount	Contractual cash flows	Not Later than 1	Later than 1 Year
			Year	
----- Rupees -----				
Long-term finances	312,166,577	312,166,577	-	312,166,577
Lease obligations	64,270,858	64,270,858	42,111,961	22,158,897
Short-term borrowings	1,076,374,361	1,076,374,361	1,076,374,361	-
Un-claimed dividends	3,690,200	3,690,200	-	-
Trade payables	3,026,636,871	3,026,636,871	3,026,636,871	-
Accrued mark-up	91,271,694	91,271,694	91,271,694	-
	4,574,410,561	4,574,410,561	4,236,394,887	334,325,474

30 / June / 2021				
Financial liabilities	Carrying amount	Contractual cash flows	Not Later than 1	Later than 1 Year
			Year	
----- Rupees -----				
Long-term finances	189,202,089	189,202,089	-	189,202,089
Lease obligations	48,618,353	48,618,353	12,028,406	36,589,947
Short-term borrowings	1,353,170,672	1,353,170,672	1,353,170,672	-
Un-claimed dividends	3,730,079	3,730,079	1,865,040	1,865,040
Trade payables	1,014,398,702	1,014,398,702	1,014,398,702	-
Accrued mark-up	72,533,323	72,533,323	72,533,323	-
	2,681,653,218	2,681,653,218	2,453,996,143	227,657,076

41.4 Market risk:

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and equity prices will effect 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 optimizing return.

41.4.1 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. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies.

- **Exposure to foreign currency risk:**

Exposure to foreign currency risk (as denominated in US \$) was as follows based on notional amounts:

	<u>30 / Jun / 2022</u>	<u>30 / Jun / 2021</u>
Outstanding letters and credit (in US \$)	<u>907,870</u>	<u>668,598</u>

Commitments outstanding at year end amounted to US \$205,2630 (2020: US \$ 180,820) relating to letter of credits for imports. The significant exchange rates applied during the year:

	Average rate		Reporting date mid spot rate	
	30 / Jun / 2022	30 / Jun / 2021	30 / Jun / 2022	30 / Jun / 2021
	----- Rupees -----			
USD 1	<u>186.8</u>	<u>166.6</u>	<u>204.85</u>	<u>168.70</u>

- **Sensitivity analysis:**

1% strengthening of Pak Rupee against US \$ at reporting date would have varied profit or loss as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Decrease in profit and loss account	<u>1,859,772</u>	<u>1,127,925</u>
--	------------------	------------------

41.4.2 Interest rate risk:

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of all borrowings at variable interest rates. The effect of consequential risk before tax @ 1% is 2022: 9,827,478 (2021:15,868,053). At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:


- Variable rate financial assets and liabilities:

	30 / Jun / 2022		30 / Jun / 2021	
	Assets	Liabilities	Assets	Liabilities
	----- Rupees -----			
Long Term finances	-	312,166,577	-	189,202,089
Saving Accounts	470,063,978	-	4,185,805	-
Lease liabilities	-	64,270,858	-	48,618,353
Short-term borrowings	-	1,076,374,361	-	1,353,170,672
	470,063,978	1,452,811,796	4,185,805	1,590,991,114

- Cash flow sensitivity analysis for variable rate instruments:

A change of 1% in interest rates at the reporting date would have varied profit before tax as shown below. Analysis

- Variable rate financial instruments:	Variation in basis points (% age)	Effect on profit after tax	
		30 / June / 2022 Rupees	30 / June / 2021 Rupees
Cash with banks	100 bps or 1.00%	3,337,454	29,719
Lease liabilities		(456,323)	(345,190)
Short-term borrowings		(9,858,641)	(10,950,847)
		(6,977,510)	(11,296,037)



The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

41.4.3 Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

42 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS:

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried using equity method. The carrying values of all other financial assets and liabilities reflected in these financial statements approximate their fair values. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) **(Level 2)**
- Inputs for the asset or liability that are not based on observable market data inputs **(Level 3)**

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.



Financial instruments on reporting date	Carrying Amount				Fair Value			Total
	As at 30 June 2022							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	
----- Rupees -----								
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	2,069,138,079	-	2,069,138,079	-	2,069,138,079	-	2,069,138,079
Loans and advances	-	315,381,523	-	315,381,523	-	315,381,523	-	315,381,523
Trade deposits	-	142,679,427	-	142,679,427	-	142,679,427	-	142,679,427
Bank balances	-	816,768,215	-	816,768,215	-	816,768,215	-	816,768,215
	-	3,343,967,244	-	3,343,967,244	-	3,343,967,244	-	3,343,967,244
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances	-	-	312,166,577	312,166,577	-	-	-	-
Directors Loan	-	-	316,329,215	316,329,215	-	-	-	-
Lease liabilities	-	-	36,589,947	36,589,947	-	-	-	-
Trade payables	-	-	3,026,636,871	3,026,636,871	-	-	-	-
Unclaimed dividends	-	-	3,690,200	3,690,200	-	-	-	-
Accrued mark-up	-	-	91,271,694	91,271,694	-	-	-	-
Short term borrowings	-	-	1,076,374,361	1,076,374,361	-	-	-	-
	-	-	4,863,058,865	4,863,058,865	-	-	-	-
On Statement of financial position date Gap	-	-	-	-	-	-	-	(1,519,091,621)
Interest bearing financial Liabilities	-	-	-	-	-	-	-	1,425,130,885
Non-Interest bearing financial Liabilities	-	-	-	-	-	-	-	3,437,927,980

The Relative maturities of financial liabilities has been disclosed in the appropriate notes to the financial statements.



Financial instruments on reporting date	Carrying Amount				Fair Value			
	----- As at 30 June 2021 -----							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- Rupees -----							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	1,566,514,762	-	1,566,514,762	-	1,566,514,762	-	1,566,514,762
Loans and advances	-	424,509,169	-	424,509,169	-	424,509,169	-	424,509,169
Trade deposits	-	141,125,374	-	141,125,374	-	141,125,374	-	141,125,374
Bank balances	-	34,000,404	-	34,000,404	-	34,000,404	-	34,000,404
	-	2,166,149,709	-	2,166,149,709	-	2,166,149,709	-	2,166,149,709
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances	-	-	189,202,089	189,202,089	-	-	-	-
Directors Loan	-	-	316,329,215	316,329,215	-	-	-	-
Lease liabilities	-	-	48,618,353	48,618,353	-	-	-	-
Trade payables	-	-	1,014,398,702	1,014,398,702	-	-	-	-
Unclaimed dividends	-	-	3,730,079	3,730,079	-	-	-	-
Accrued mark-up	-	-	72,533,323	72,533,323	-	-	-	-
Short term borrowings	-	-	1,353,170,672	1,353,170,672	-	-	-	-
	-	-	2,997,982,433	2,997,982,433	-	-	-	-

43 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on basis of the debt-to-equity ratio calculated as ratio of total debt to equity.

	30 Jun 2022	30 Jun 2021
	--- Rupees in '000 ---	
Total debt	2,069,138,079	1,542,372,761
Total equity and debt (including surplus on revaluation of operating assets)	4,673,846,028	4,441,358,202
Debt-to-equity ratio	<u>44%</u>	<u>35%</u>

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

43.1 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Liabilities				
2022				
Long Term Loan	Unclaimed dividends	Lease obligations	Short-term borrowings	Accrued mark-up

Balance as at June 30, 2021	189,202,089	3,730,079	48,618,353	1,353,170,672	72,533,323
Finances repaid	(189,202,089)	-	-	(276,796,311)	-
Finance obtained	339,846,577	-	-	-	-
Mark-up accrued	-	-	-	-	53,293,074
Mark-up repaid	-	-	-	-	(34,554,703)
Finance lease obtained	-	-	-	-	-
Lease rentals paid	-	-	(12,028,406)	-	-
Down payment paid	-	-	-	-	-
Dividend paid	-	(39,879)	-	-	-
Balance as at June 30, 2022	339,846,577	3,690,200	36,589,947	1,076,374,361	91,271,694

Liabilities				
2021				
Long Term Loan	Unclaimed dividends	Lease obligations	Short-term borrowings	Accrued mark-up

Balance as at June 30, 2020	-	9,286,705	58,644,134	1,378,552,864	66,092,112
Finances repaid	-	-	-	(25,382,192)	-
Finance obtained	189,202,089	-	-	-	-
Mark-up accrued	-	-	-	-	35,442,492
Mark-up repaid	-	-	-	-	(29,001,281)
Finance lease obtained	-	-	-	-	-
Lease rentals paid	-	-	(10,025,781)	-	-
Down payment paid	-	-	-	-	-
Dividend paid	-	(5,556,626)	-	-	-
Balance as at June 30, 2021	189,202,089	3,730,079	48,618,353	1,353,170,672	72,533,323

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits to the Executives, Chief Executive and Director of the Company is as follows:

	Chief Executive		Directors		Executives	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	----- Rupees -----					
Remuneration	6,021,135	5,352,120	3,637,116	2,909,693	7,872,721	6,997,974
Other allowances	2,426,427	2,156,824	1,465,704	1,172,563	3,172,589	2,820,079
Retirement benefits	539,207	479,295	325,711	260,569	705,020	626,684
	<u>8,986,769</u>	<u>7,988,239</u>	<u>5,428,531</u>	<u>4,342,825</u>	<u>11,750,330</u>	<u>10,444,737</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>7</u>	<u>6</u>

44.1 The Company has also provided Chief Executive and working Director with the Company maintained cars. No fees were paid to any Director for attending Board meetings.

	At end of the year		Average during the year	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	----- Number of Employees -----			

45 NUMBER OF EMPLOYEES

Company employees	454	515	460	497
Manpower at factory	413	471	420	465

46 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, key management personnel and entities under common directorship. Balances are disclosed elsewhere in the financial statements. Significant transactions with related parties other than disclosed elsewhere in the financial statements are as follows.

Related Party	Nature of relationship	Basis of relationship	Nature of transaction	Transaction Value		Outstanding Balance	
				30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	----- Rupees -----						
Chief Executive	CEO	Shareholder	Remuneration	8,986,769	7,988,239	-	-
Directors							
Key management personnel	Directors	Shareholders	Directors loan	-	-	316,329,215	316,329,215
	Directors	Shareholders	Remuneration	5,428,531	4,342,825	-	-
Executives							
Key management	Executives	Related parties	Remuneration	11,750,330	10,444,737	-	-

30 Jun 2022 30 Jun 2021
--- Metric Tons ---



47 PLANT CAPACITY AND PRODUCTION

Total active capacity for production

Plant capacity

Rolling Mill	140,000	140,000
Melting	130,000	110,400

Actual utilization capacity for production

Rolling Mill	70,735	64,708
Melting	75,545	65,012

47.1 Actual production was sufficient to meet the demand.

47.2 The Company operated the plant considering the market demand and supply of the product.

46.3 Structure mill is being run on a demand basis. Being plant restructure, reoperated during the current year, foreseeing further improvement and penetration in the coming year.

48 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment as per the requirements of IFRS 08.

- All the sales of the Company are made to customers located in Pakistan.
- All non-current assets of the Company at 30 June 2022 are located in Pakistan.

49 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING YEAR

As reported in note 3 to the financial statements, the Company's financial position and performance was particularly affected during the reporting period:

- Sales during the year have increase by 81% approximately. As a result of which sales have increased by Rs. 5,024 million.
- The recovery of trade debts remained significantly affected and the receivables increased by 5% as compared to last year. However, subsequent to post-pandemic shut down the Company has recovered Rs. 300 million on account of trade receivables.
- National Bank of Pakistan over the payment of borrowing and related mark-up / cost of funds. Filing of suits by National Bank of Pakistan and counter suits filed by the Company against these financial institutions (also refer note 20 to the financial statements).



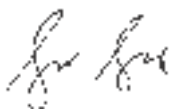
50 RE-CLASSIFICATIONS AND RE-ARRANGEMENTS OF CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-classification and re-arrangements are made in the financial statements except as detailed below:

From	To	Reason	Amount
Long Term Loan	Trade and other payables	Mutually agreed	189,202,089
Short-term borrowings-BOP	Long Term Loan	Re-Structure	339,846,577

51 DATE OF AUTHORIZATION FOR ISSUE

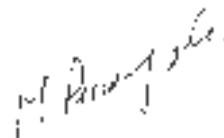
These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 26 September 2022.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

پراویڈنٹ فنڈ اور نفع میں حصہ کا فنڈ قائم کیا ہے۔ عملہ کی بہبود کے لئے بھاری سرمایہ داری کی گئی ہے تاکہ انہیں محفوظ اور دوستانہ ماحول مل سکے۔

23. گریجویٹ فنڈز میں سرمایہ داری

کمپنی گریجویٹ فنڈ قواعد کے تحت اپنے تمام مستقل ملازمین پر محیط گریجویٹ فنڈ بھی چلاتی ہے۔

24. متعلقہ فریق سے لین دین

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کی پیروی میں کاروباری امور کے سلسلہ میں کمپنی اعلیٰ ترین اخلاقی معیار کو ترجیح دیتی ہے۔ متعلقہ پارٹی لین دین پر کمپنی کی پالیسی بورڈ آف ڈائریکٹرز نے منظور کی ہے۔

25. بیرونی آڈیٹرز

میسرز سرورز چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2022 کو ختم ہونے والی سال کا سالانہ آڈٹ مکمل کر لیا ہے اور سالانہ جنرل اجلاس کے اختتام پر ریٹائرڈ ہو جائیں گے۔ کارپوریٹ گورننس کے اچھے طریقوں کے پیش نظر، بورڈ نے آڈٹ کمپنی کے ذریعے تائید شدہ شیئر ہولڈرز کی منظوری کے لیے 30 جون 2023 کو اختتام پذیر ہونے کے لیے کمپنی کے بیرونی آڈیٹر کی حیثیت سے میسرز سرورز چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

26. سماجی ماحولیاتی پالیسی

IIIIL کاروباری امور میں ہر ممکن حد تک بہترین اخلاقی معیار پر عمل کرتا ہے۔ اسی طرح سے، بورڈ آف ڈائریکٹرز سے حسب ضابطہ منظور شدہ کمپنی کی سماجی ماحولیاتی پالیسی کمپنی کی ویب سائٹ پر رکھ دی گئی ہے۔ موجودہ سال کے دوران ہم نے سگریٹ نوشی/دھوے کی آلودگی پر قابو پانے کے لیے اسکر بر لگایا۔

27. وہسل بلونگ پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کی پیروی میں IIIIL سالمیت، اخلاقی اقدار اور احتساب کے اعلیٰ معیار کو حاصل کرنے کے لئے پرعزم ہے۔ اسی طرح سے وہسل بلونگ پالیسی بورڈ آف ڈائریکٹرز نے منظور کی ہے اور اسے کمپنی کی ویب سائٹ پر رکھ دیا گیا ہے۔ جس کی وجہ سے افسران اور ملازمین ضروری تادیبی اقدامات کے ذریعے سامنے لا کر اپنے تحفظات کا اظہار کرتے ہیں۔

28. اظہارات

ہمارے بہترین علم کے مطابق، ڈائریکٹرز (ماسوائے شیئر ہولڈنگ کی وضع رپورٹ میں ظاہر کئے گئے)، چیف ایگزیکٹو/میجنگ ڈائریکٹر، CFO، کمپنی سیکریٹری، کمپنی آڈیٹرز، اُن کے ازدواج اور اُن کے نابالغ بچے مالی سال 2021-2022 کے دوران کمپنی کے حصص کی کسی قسم کی تجارت میں شامل نہیں ہوئے۔

اچھی طرح سے طے شدہ مقصد کے ذریعے کارفرما ہے۔ اور یہ ہمارے آج کے کاروبار میں فیصلہ سازی کے معیار کو پورا کرتی ہے۔

19. ضابطہ اخلاق

لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق، IIII کاروبار کے سلسلے میں بہترین اخلاقی معیار پر عمل پیرا ہے۔ اس کے مطابق، کمپنی کے ضابطہ اخلاق کو بورڈ آف ڈائریکٹرز نے منظور کر لیا ہے۔ اور اسے کمپنی کی ویب سائٹ پر ڈال رکھا دیا ہے۔

20. لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء:

سال میں، سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے درج کمپنیوں کے لیے گذشتہ ضوابط میں ترمیم کر کے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 جاری کیا۔ بورڈ آف ڈائریکٹرز اس نظر ثانی شدہ کو ضروریات سے پوری طرح واقف ہے۔ جو 25 ستمبر 2019 سے لاگو ہوا۔ اور اس کی تعمیل کو یقینی بنانے کے لیے ضروری اقدامات کر رہا ہے۔ ضابطہ کی تعمیل کے طور پر ہم حسب ذیل توثیق کرتے ہیں:

a- کمپنی انتظامیہ کی جانب سے تیار کی گئی مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلی کو بہترین انداز میں ظاہر کرتی ہیں۔

b- مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلوں پر مبنی ہوتا ہے۔

c- پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ معیارات کو مالیاتی اسٹیٹمنٹس کی تیاری کو مدنظر رکھا جاتا ہے۔

d- انٹرنل کنٹرول کے نظام کی ٹھوس بنیادیں ہیں اور اس کو موثر انداز میں نافذ کیا جاتا ہے۔ اور اس کی نگرانی کی جاتی ہے۔

e- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام نہ ہے۔

21. کمپنی کے کنٹرول اور رپورٹنگ کی نمایاں خصوصیات:

کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تمام معیارات کی تعمیل کرتی ہے۔ اس مقصد کو پورا کرنے کے لئے، بورڈ کمپنی میں کارپوریٹ گورننس کی مجموعی ہدایات کو نافذ کرنے کا ذمہ دار ہے۔ جس میں انتظامیہ کی سفارش پر حکمت عملی کی منظوری، سرمایہ کے استعمال کی منظوری اور نگرانی، اعلیٰ انتظامیہ کی تقرری، معطلی اور تبدیلی کی پالیسیاں مرتب کرنا، انتظامیہ کے اہداف کی نگرانی اور اس کے حصول میں رہنمائی کرنا اور انٹرنل کنٹرول اینڈ مینجمنٹ انفارمیشن سسٹمز کی سالمیت کو یقینی بنانا شامل ہیں۔ بورڈ مالیاتی اور دیگر رپورٹنگ کی منظوری اور نگرانی کا بھی ذمہ دار ہے۔

22. کمپنی الیکاروں سے تعلقات

انتظامیہ اور مزدوروں کے درمیان تعلقات باہمی عزت اور اعتماد کی بنیاد پر ہمیشہ خوش گوار رہتے ہیں۔ کمپنی نے اپنے ملازمین کے لئے

لئے ایک جامع نظام منظور کیا۔ ہیومن ریسورس کمیٹی مجموعی طور پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کے جائزہ کے لیے باضابطہ عمل شروع کرے گی۔

13. بورڈ آف ڈائریکٹرز کا اجلاس

بورڈ کے اجلاس ہر سہ ماہی میں کمپنی کے مالی معاملات پر نظر ثانی اور منظوری کے لیے ہوتے ہیں جس میں جائزہ اور کاروباری مسودے کو اپنانے کے عمل بھی شامل ہیں۔ اس سال کے دوران بورڈ آف ڈائریکٹرز کے 16 اجلاس ہوئے۔

14. بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز کی رہنمائی میں مندرجہ ذیل کمیٹیاں تشکیل دی گئی ہیں۔

(a) آڈٹ کمیٹی:

کمیٹی چیئر مین سمیت پانچ ممبران پر مشتمل ہے۔ تین ممبران ایگزیکٹو ممبر ہیں جبکہ کمیٹی کا چیئر مین خود مختار ڈائریکٹر ہے۔ اس سال آڈٹ کمیٹی کے پانچ اجلاس ہوئے۔

15. بورڈ آف ڈائریکٹرز کا مشاہدہ / معاوضہ

منظور شدہ پالیسی کے مطابق ڈائریکٹر کو بورڈ / کمیٹی کے اجلاس میں شرکت کرنے کا معاوضہ دیا جاتا ہے۔ متعلقہ تفصیلات نوٹس میں ظاہر کی گئی ہیں۔

16. سی ایف او اور اندرونی آڈٹ کے سربراہ کی اہلیت:

چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ مطلوبہ اہلیت رکھتے ہیں جیسا کہ لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ضابطہ ریگولیشن، 2019 میں درج ہے۔

17. بورڈ اراکین کی تربیت

کمپنی اپنے بورڈ ممبران کی پیشہ ورانہ ترقی میں گہری دلچسپی رکھتی ہے اور لسٹڈ کمپنیوں (بورڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے تقاضوں کے مطابق ضروری تربیت کا انتظام کرتی ہے۔

18. بورڈ کے ذریعہ وٹن، مشن اور کارپوریٹ حکمت عملی کی منظوری

لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشن، 2019 کے تحت، بورڈ آف ڈائریکٹرز نے کمپنی کی وٹن، من اور کارپوریٹ حکمت عملی کا بغور جائزہ لیا ہے اور اس کی منظوری دی ہے۔ اس میں آئی آئی ایل کو تعمیر / تعمیل کرے کی آئیڈیالوجی کو واضح طور پر بتایا گیا ہے۔ ہم یقینی بناتے ہیں کہ ہمارا وزن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی کی سمت طے کرے گا۔ پوری تنظیم منسلک اور ایک

(a) شیئر ہولڈنگ کی وضع

درج کمپنیوں (کوڈ آف کارپورٹ گورننس) ریگولیشن 2019 اور کمپنیز ایکٹ 2017 کے مطابق کمپنی کے شیئر ہولڈنگ کا نمونہ 30 جون 2022 کے مطابق، رپورٹ کے آخر میں منسلک ہے۔

(b) حصص یافتگان کی معلومات

حصص یافتگان کو کمپنی کی کاروائیوں، نمو اور امور کی صورتحال کے بارے میں تازہ ترین معلومات فراہم کرنے کے لیے، انتظامیہ فوری طور پر تمام مادی معلومات کو پاکستان اسٹاک ایکسچینج میں عبوری اور آخری نتائج کے اعلان سمیت ترسیل کرتی ہے۔ سہ ماہی، نصف سالانہ اور سالانہ مالیاتی اسٹیٹمنٹس تمام متعلقہ افراد کو ارسال کی جاتی ہیں۔ اسی طرح سے، نوٹس اور منافع منقسمہ کے اعلانات لسٹڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ضوابط 2019ء اور کمپنیز ایکٹ 2017 میں بیان کردہ مدت میں تمام سٹیک ہولڈرز اور ریگولیٹرز کو ارسال کئے جاتے ہیں۔ یہ تمام معلومات کمپنی کی ویب سائٹ پر بھی فوری اپ لوڈ کر دیئے جاتے ہیں۔

9. ہیومن ریسورس کمیٹی

کمپنی تین اراکین بشمول چیئر مین پر مشتمل ہوتی ہے۔ تینوں اراکین نان ایگزیکٹو ڈائریکٹرز ہوتے ہیں جب کہ کمیٹی کا چیئر مین آزاد ڈائریکٹر ہوتا ہے۔ اس سال کے دوران ہیومن ریسورس کمیٹی کے دو اجلاس بمعہ حاضری منعقد ہوئے۔

10. چیئر مین کا کردار

بورڈ آف ڈائریکٹرز کی رہنمائی کرتا ہے، گروپ کی نمائندگی کرتا ہے۔ اور بورڈ اور اسٹیک ہولڈرز کی جانب سے گروپ کے مجموعی محافظ کی حیثیت سے کام کرتا ہے۔ بورڈ کی بہتری کو یقینی بنانے کے لیے ذمہ دار ہونے کے ناطے، وہ بورڈ کو کمپنی کی حکمت عملی اور مجموعی مقاصد کے عزم اور ترقی میں مجموعی طور پر تعمیری کردار ادا کرنے کی قوت دیتا ہے۔

11. بورڈ کی ترغیب

بورڈ دو آزاد ڈائریکٹر، دو ایگزیکٹو ڈائریکٹرز (چیئر مین اور سی۔ ای۔ او/ایم ڈی سمیت) اور تین نان ایگزیکٹو ڈائریکٹرز (دو خواتین ڈائریکٹر سمیت) پر مشتمل ہے۔ بورڈ کی تشکیل ہر قسم کے حصص یافتگان کے مفادات کے تحفظ کی ضمانت دیتا ہے۔

12. بورڈ کی کارکردگی کا یقین

لسٹڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ضوابط 2019 کی پیروی میں بورڈ آف ڈائریکٹرز نے اپنی کارکردگی کے جائزہ کے

3. عمومی بیان

30 جون 2022 کو اختتام پذیر سال کے لیے اتفاق آرن انڈسٹریز لمیٹڈ (IIL) کے ڈائریکٹرز سالانہ رپورٹ کے ہمراہ پڑتال شدہ مالیاتی سٹیٹمنٹ اور آڈیٹرز کی رپورٹ پیش کرنے میں فخر محسوس کرتے ہیں۔

4. مالیاتی سٹیٹمنٹس کی پیشکش

انتظامیہ کی جانب سے تیار کی گئی مالیاتی اسٹیٹمنٹس کمپنی کے امور کی صورت حال، آپریشنز کے نتائج، کیش فلوا اور لیکویٹی میں تبدیلی کو موزوں اور درست انداز میں پیش کرتی ہیں۔

5. اکاؤنٹنگ پالیسیاں

مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

6. کھاتوں کی کتابیں

کھاتوں کی باضابطہ کتابیں تیار کی گئی ہیں بین الاقوامی اکاؤنٹنگ معیارات (IA) اور پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی تعمیل، مالی بیانات کی تیاری میں یقینی بنائی گئی ہے۔

7. انٹرنل کنٹرول سسٹم

قابل بھروسہ یقین دہانی کے لئے انٹرنل کنٹرول سسٹم مرتب کیا گیا ہے۔ پالیسیوں، منصوبوں اور قوانین، وسائل کا بہترین استعمال، اہداف کو عبور کرنا اور مالیاتی اور انتظامی معلومات کی دیانت کو کمپنی یقینی بناتی ہے۔ آئی۔ آئی۔ ایل کا اندرونی کنٹرول سسٹم بہت جامع، موثر انداز میں نافذ اور مستقل طور پر مانیتر کیا جا رہا ہے۔ کمپنی مکمل طور پر بزنس یونٹ کے کنٹرول کے طریقہ کار پر مرکوز ہے تاکہ یہ یقینی بنائے کہ کارپوریٹ پالیسیاں عمل میں آئیں اور جب بھی ضرورت ہو اصلاحات کا اطلاق ہوتا ہے۔

8. کارپوریٹ گورننس کی بہترین عمل داری

ماڈل کاروباری ادارہ کے طور پر IIL بہترین کاروباری اور اخلاقی عمل دار کے اطلاق سے عزائم کی تکمیل حاصل کرتی ہے۔ کارپوریٹ گورننس کے بہترین عمل، جیسا کہ کمپنیز ایکٹ 2017 میں دیا گیا ہے، اس پر عمل درآمد اور من و عن لاکو کیا ہے۔ چیف فائینانشل آفیسر سے حسب ضابطہ تائید کے بعد کمپنی کی تمام دوری مالیاتی اسٹیٹمنٹس اشاعت سے قبل ڈائریکٹرز کو بھیجی جاتی ہیں۔ غیر پڑتال شدہ سہ ماہی مالیاتی اسٹیٹمنٹس اور ڈائریکٹرز کا تجزیہ شائع کیا گیا اور شیئر ہولڈرز اور ریگولیٹرز کو ارسال کیا گیا۔

ڈائریکٹرز کی رپورٹ:

کمپنی کے ڈائریکٹر 30 جون 2022 کو ختم ہونے والے مالی سال کے دوران کمپنی کی کارکردگی سے متعلق سالانہ رپورٹ کا ایک مختصر خلاصہ پیش کرتے ہیں۔ یہ سال بہت سے عوامل کی وجہ سے کافی مشکل ثابت ہوا جس میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں نمایاں کمی بھی شامل ہے جس کے نتیجے میں ہمارے خام مال کی قیمتوں میں بہت زیادہ اضافہ ہوا، ایندھن/توانائی کی قیمتوں میں بھاری اضافہ۔ حکومت اور ٹیکسوں میں خاطر خواہ اضافہ۔ لیکن، ان تمام چیلنجوں کے باوجود، ہم نے گزشتہ سال کی طرح کامیابی سے اپنے منافع کو برقرار رکھا ہے۔

اس سال ہماری سیلز کا حجم 5.024 بلین روپے تک بڑھا ہے جو کہ پچھلے سال کے مقابلے میں تقریباً 81 فیصد اضافہ ظاہر کرتا ہے۔ لیکن، کاروبار کرنے کی لاگت میں بہت نمایاں اضافے کے نتیجے میں، ہمارا مجموعی منافع گزشتہ سال کے 645.95 بلین روپے کے مقابلے میں کم ہو کر 509.02 بلین روپے ہو گیا ہے۔ اس سال کمپنی نے 236.40 بلین روپے کا خالص منافع کمایا ہے جو کہ فی حصص آمدنی 1.64 روپے ہے۔ یہ منافع بخش نتائج کمپنی کو درپیش بیرونی محاذ پر اہم چیلنجوں کے باوجود حاصل کیے گئے ہیں۔ کمپنی کے منافع کو برقرار رکھنے میں انتظامیہ اور عملہ دونوں کی طرف سے کردار انتہائی قابل تحسین ہے اور امید کی جاتی ہے کہ مستقبل میں بھی ترقی کا یہ سفر بہترین ممکنہ نتائج/منافع کی صورت میں جاری رہے گا۔ کمپنی اپنے وسائل کے بہترین ممکنہ اور بہترین استعمال کو یقینی بناتے ہوئے اپنی پوری توجہ مرکوز رکھتی ہے تاکہ حصص یافتگان کے لیے مستقل میں پائیدار بنیادوں پر قدر میں اضافہ کیا جاسکے۔ آنے والے سالوں میں ہمارا بنیادی ہدف زیادہ زیادہ ممکنہ سطح تک اپنی فروخت کو بڑھانا ہے تاکہ زیادہ سے زیادہ منافع حاصل کیا جاسکے۔

1. منافع منقسمہ

بورڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے کوئی نقد منافع یا بونس تجویز نہیں کئے۔

2. چیف ایگزیکٹو آفیسر (سی ای او) اینجنگ ڈائریکٹر (ایم ڈی) کا کردار:

سی ای او/ایم ڈی حصص یافتگان کی قدر پیدا کرنے کے نظریہ سے کمپنی کی طویل مدتی حکمت عملی پر عمل درآمد کے ذمہ دار ہیں۔ سی ای او/ایم ڈی کمپنی کے مختصر اور طویل مدتی مقاصد/منصوبوں کو پورا کرنے کے لیے روزمرہ کے فیصلے کرتے ہیں۔ ہ بورڈ اور کمپنی کی انتظامیہ کے درمیان براہ راست رابطہ کا ذریعہ ہیں۔ وہ بورڈ اور کمپنی مینجمنٹ کی طرف سے حصص یافتگان، ملازمین، حکومتی ملازمین/حکام دوسرے سٹیک ہولڈرز اور عوام سے رابطے/بات چیت کرتا ہے۔ سی ای او/ایم ڈی ایک ڈائریکٹر، فیصلہ ساز اور رہنما کی حیثیت سے کام کرتا ہے۔ رابطہ ساز کے فعل میں بیرونی دنیا، ادارے ادارے کی انتظامیہ اور ملازمین سے رابطہ، فیصلہ سازی کے فعل میں پالیسی اور حکمت عملی سے متعلقہ اعلیٰ سطحی فیصلے شامل ہیں۔ کمپنی کے قائد کی حیثیت سے وہ ملازمین کو تحریک دیتا ہے اور ان میں مطلوبہ جوش و جذبہ پیدا کرتا ہے۔

Form of Proxy / E-Voting

Ittefaq Iron Industries Limited

40-B-II, Gulberg-III, Lahore. Tel: 042-35765021-26 Fax: 042-35759546

Option 1

Appointing other person as Proxy

I/We _____ of _____, being member(s) of Ittefaq Iron Industries Limited, holder of _____ Ordinary Share(s) as per Registered Folio/CDC Account No. _____ hereby appoint Mr. _____ Folio / CDC Account No. _____ (if member) of _____ or failing him, Mr. _____ Folio / CDC Account No. _____ (if member) of _____, as my / our Proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the 17th Annual General Meeting of the Company to be held on October 26, 2022 and at any adjournment thereof.

Signed under my / our hand(s) this _____ day of _____ 2022.

Option 2

E-voting as per the Companies (E-Voting) Regulations, 2016

I/We _____ of _____, being member(s) of Ittefaq Iron Industries Limited, holder of _____ Ordinary Share(s) as per Registered Folio/CDC Account No. _____ hereby opt for e-voting through intermediary and hereby consent the appointment of Execution Officer _____ as Proxy and will exercise e-voting as per the Companies (e-voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____. Please send login details, password and electronic signature through email.

Signature of Proxy

Signature of Member
(Signatures should agree with specimen signature registered with the Company)

Signed in the presence of:

Signature of witnesses _____

Name : _____

Address: _____

CNIC No. _____

Signature of witnesses _____

Name : _____

Address: _____

CNIC No. _____

NOTES FOR APPOINTING PROXY:

This instrument appointing a proxy under option 1 shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an official or attorney so authorized.

The instrument appointing a proxy under option 1 and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office of the Company not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of a proxy shall not be treated as valid.

The instrument of e-voting under option 2 shall be deposited in advance in writing at least ten days before holding of general meeting at the registered office of the company at 40-B-II, Gulberg-III, Lahore or through e-mail: info@ittefaqsteel.com.

The Company will arrange for e-voting if the company receives demand for poll from at least five members or by any member or members having not less than one tenth of the voting power.

FORM FOR VIDEO CONFERENCE FACILITY

I/We _____ of _____, being member(s) of Ittefaq Iron Industries Limited, holder of _____ Share(s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of member(s)



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The Company Secretary

ITTEFAQ IRON INDUSTRIES LIMITED

40-B-II, Gulberg-III, Lahore

Tel: 042-35765021-26

پراکسی/ای ووٹنگ فارم اتفاق آئرن انڈسٹریز لمیٹڈ

40-بی۔II، گلبرگ III، لاہور۔ ٹیلی فون: 26-042-35765021 فیکس: 042-35759546

اختیار-1 Option-1

کسی دوسرے شخص کو بطور نمائندہ (پراکسی) مقرر کرنے کے لیے

میں/ہم _____ ساکن _____ بطور نمبر (ز) _____
اتفاق آئرن انڈسٹریز لمیٹڈ حامل _____ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ محترم
فولیو/سی ڈی سی اکاؤنٹ نمبر (اگر نمبر ہو) ساکن _____ یا ان کے حاضر نہ
ہونے کی صورت میں محترم _____ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ (اگر نمبر ہو)
ساکن _____ کو اپنے/ہمارے ایما پر کمپنی کے 26 اکتوبر 2022ء کو ہونے والے 17 ویں سالانہ
اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کے لیے یا کسی بھی التوا کی صورت میں اپنا/ہمارا نمائندہ (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

اختیار-2 Option-2

کمپنیز (ای ووٹنگ) قوانین 2016ء کے مطابق کسی دوسرے شخص کو بطور نمائندہ (پراکسی) مقرر کرنے کیلئے

میں/ہم _____ ساکن _____ بطور نمبر (ز) _____
اتفاق آئرن انڈسٹریز لمیٹڈ حامل _____ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ انٹرمیڈی کے ذریعے ای
ووٹنگ کا اختیار دیتا/ دیتے ہیں اور اس کے ذریعے Executive Officer (_____) کی بطور نمائندہ (پراکسی) کی تقرری کی منظوری
دیتا ہوں/ دیتے ہیں۔ مزید یہ کہ میں/کمپنیز (ای ووٹنگ) قوانین 2016ء کے مطابق ای ووٹنگ کا استقبال کروں گا/ کریں گے اور اسکے ذریعے قراردادوں کے انتخاب کا مطالبہ کرتا ہوں/ کرتے ہیں۔

پانچ روپے کے رسیدی ٹکٹ پر نمبر کے دستخط

نمائندہ (پراکسی) کے دستخط

گواہان۔

_____ (1) دستخط	_____ (2) دستخط
_____ نام	_____ نام
_____ پتہ	_____ پتہ
_____ شناختی کارڈ نمبر	_____ شناختی کارڈ نمبر
_____ پاسپورٹ نمبر	_____ پاسپورٹ نمبر

نمائندہ (پراکسی) کی تقرری سے متعلق نکات:

اختیار-1 (option) کے تحت مقرر کردہ نمائندہ (پراکسی) کی دستاویز تقریری طور پر مقرر کرنے والے کے ہاتھ سے لکھی گئی ہو یا اس کے اختیار کے تحت مقرر کردہ وکیل کی طرف ہونی چاہیے۔ اگر مقرر کردہ کمپنی ہے تو نمائندہ کی دستاویز کمپنی کی عام مہر (Common Seal) کے ساتھ مجاز افسریا ان کے مقرر کردہ وکیل کی طرف ہونی چاہیے۔
اختیار-1 (option) کے تحت ہر لحاظ سے مکمل اور دستخط شدہ (پراکسی) کی تقرری دستاویز عام اجلاس کے وقت سے کم از کم 48 گھنٹے قبل موصول ہو جانی چاہیے۔ بصورت دیگر پراکسی کی دستاویز درست تصور نہیں ہوگی۔
اختیار-2 (option) کے تحت ای ووٹنگ کی دستاویز عام اجلاس کے دن سے کم از کم دس یوم قبل کمپنی کے رجسٹرڈ آفس واقع 40-بی۔II، گلبرگ III، لاہور میں جمع کرا دی جائے یا ای میل کے ذریعے info@ittefaqsteel.com پر بھیجی جائے۔
اگر کمپنی کو کم از کم پانچ ایکس یا کسی ایک رکن یا راکین جن کی ووٹنگ کی طاقت دس فیصد سے کم نہ ہو، کی طرف سے انتخاب کی درخواست موصول ہوگی تو کمپنی ای ووٹنگ کا بندوبست کرے گی۔

ویڈیو کانفرنس کی سہولت کیلئے فارم

کسی دوسرے شخص کو بطور نمائندہ (پراکسی) مقرر کرنے کیلئے میں/ہم _____ ساکن _____ بطور
ممبر (ز) اتفاق آئرن انڈسٹریز لمیٹڈ حامل _____ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ویڈیو کانفرنس کی
سہولت، بہ مقام _____ چاہیں گے۔

رکن کے دستخط



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The Company Secretary

ITTEFAQ IRON INDUSTRIES LIMITED

40-B-II, Gulberg-III, Lahore

Tel: 042-35765021-26



Head Office
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info@ittefaqsteel.com