ITTEFAQ IRON INDUSTRIES LTD.

Annual Report 2023

LOOKING
BEYOND
TOMORROW

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FINANCIAL STATEMENTS

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

Syed Sikander Ali Shah
Ph.D (Scholar)

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@ittefaqsteel.com

Company Website

www.ittefaqsteel.com

Legal Advisor

Shahid Abrar
Advocate High Court
Pakistan Law Chambers
6-fane Road Lahore
Email: ravian_shahid@hotmail.com

ITTEFAQ IRON INDUSTRIES LIMITED


ITTEFAQ
steel
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 18th Annual General Meeting of the members of ITTEFAQ IRON INDUSTERIES LIMITED will be held on Thursday, October 26, 2023 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 Wednesday, October 26, 2022.

2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with the Directors and Auditors Report thereon.

3. To elect seven (7) Directors of the Company as fixed by the Board of Directors in accordance with the provisions of Section 159(1) of The Companies Act 2017 for the next term of three years. The names of retiring Directors who may be eligible for re-election, or as follows.

1. Mian Muhammad Pervaiz Shafi
2. Shahzad Javed
3. Khurram Jamil
4. Muhammad Mubashir Iqbal
5. Tayyab Ali
6. Wajeeha Shahzad
7. Sobia Irshad

4. To appoint Auditors for the year ending June 30, 2024 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.

SPECIAL BUSINESS

5. To consider and if deemed fit, to pass the following resolutions as special resolution in pursuance of S.R.O. 389(I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink with or without modification, addition(s) or deletion(s).

Resolved that the approval of the members of Ittefaq Iron Industries Ltd. (the "Company) be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the financial year 2023 through QR enabled code and Weblink instead o transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission vide its S.R.O. 389(I) / 2023 dated March 21, 2023.

Resolved further that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly authorize to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.

6. Any other Business with the permission of the Chairman.

BY ORDER OF THE BOARD

Syed Sikander Ali Shah
Company Secretary.
Lahore.
October 06, 2023

NOTES:

1. Book closure

Share transfer books of the Company will remain closed from October 20, 2023 to October 26, 2023 (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, 2023 will be treated in time.

2. Election of Directors

Any member who seeks to contest the election directors shall, whether he/she is a retiring director or otherwise, file with the Company at its Registered Office 40 B II, Gulberg III, , Lahore, not later than 14 days before the date of Annual General Meeting, a notice of his/her intention to offer himself/herself for election as a director in accordance with provisions of the Companies Act, 2017 along with the following documents and information:

a. His/her folio no. /CDC Investor Account No. / CDC Participant No. / Sub-Account No.

b. Consent to act as director on Form 28 in terms of Section 167 of the Companies Act, 2017.

c. A detailed profile along with his/her office address as required by the Securities and Exchange Commission of Pakistan vide its notification S.R.O. 1196(I)/2019 dated October 03, 2019.

d. An attested copy of valid Computerized National Identity Card / Passport and NTN Certificate.

e. Declaration under clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 by Independent Director(s) on non-judicial stamp paper that he/she qualifies the criteria of independence stipulated under Section 166 of the Companies Act, 2017.

f. The candidates are requested to read the relevant provisions / requirements relating to the Election of Directors, as stipulated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the other applicable laws and regulations and ensure the compliance with the same in letter and spirit.

g. A declaration confirming that:
   I. He/she is aware of duties and powers under the relevant applicable laws, Memorandum & Articles of Association of Company, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and listing regulations of Pakistan Stock Exchange Limited;

   II. He/she is not serving as a director in more than seven (7) listed companies simultaneously including as an alternate Director;

   III. He/she is not ineligible to become a Director of a listed company under Section 153 of the Companies Act, 2017 and any other applicable laws and regulations.

h. A member who seeks to contest for election may select any one category in which he / she intends to contest election of directors. For the purposes of election of directors of the company the voting shall be held separately in the following three (3) categories for the specified number of seats:

Sr. No.	**Category**	**Number of Seats**
1	Female Director	2 Seats
2	Independent Directors	2 Seats
3	Other Directors	3 Seats
	Total Seats	**7 Seats**

The member in their discretion may ast vote to any candidate consenting in each of the above categories. It must, however, be noted that division of votes available to each member for the category shall be in the proportion to the number of seats of directors under category, which is as follows:

Sr. No.	Category	Number of Seats	Votes
1	Female Director	2 Seat	2/7
2	Independent Directors	2 Seats	2/7
3	Other Directors	4 Seats	4/7

If the number of members who offer themselves in each category is not more than the number of directors to be elected in each category, such members will be elected unopposed without the voting process.

3 - Independent Director

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act, and they meet the criteria laid down under Section 166(2) of the Act and shall be listed on the data bank of Independent Directors maintained by Pakistan Institute of Corporate Governance. Further their selection shall be made due to their respective core competencies, diversity, skill, knowledge and experience.

No directors have direct or indirect interest in the above said business other than as shareholders of the Company and that they are eligible to contest the election of directors.

The present directors are interested to the extent that they are eligible for re-election as directors of the Company.

4. 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 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 ittefaqagm@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.

5. Postal Ballot / E-Voting

a. In accordance with the Companies (Postal Ballot) Regulation, 2018, (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations,

b. Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on October 19, 2023 by Corplink (Private) Limited being the e voting service provider.

c. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

d. Members shall cast vote online from October 24, 2023 9.00 a.m. till October 25, 2023 5:00 p.m. Voting shall close on October 25, 2023 , at 5:00 p.m. Once the vote on the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently.

6 PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

a. Members may alternatively opt for voting through post al ballot. For convenience of the members, Ballot Paper will also be available on the Company's website www.ittefaqsteel.com to download.

The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, 40-B II, Gulberg III, Lahore, or email at ittefaqagm@gmail.com one day before the AGM, i.e., on October 25, 2023 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

7. Virtual Participation in the AGM Proceedings

To attend the AGM through video link, members and their proxies are requested to register their following particulars by sending an e-mail at ittefaqagm@gmail.com

Name of Sharehold	CNIC No.	Folio No. / CDC	No of Shares	Contact No.	Email Address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 25, 2023.

8- 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, 2023 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.

9- 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,1-K Commercial, Model Town, Lahore for process and receipt of divided.

10- 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 Stock Exchange Limited.

11- 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,1-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 is 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

Ittefq 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 yo stringentt requirements for critical applications. Highly responsive and flexible production capability producing trailor made solution has resulted in Ittefaq Steel becaome a preffered supplies 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 angels flat bars, channels, round and girders in a wide range of sizes.

PRODUCTS

DEFORMED BARS

Ittefeq 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 if the art fully computerized plant. Well trained staff operates the plant with through 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) Convertor. 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 continous 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 labortary 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, ASTME4, ASTME9, ASTMD 76, JISZ 2841 standards.

Hardness Testing

Two latest model hardness testers have been installed in the laboratory for determining brinnel 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 hedid 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.

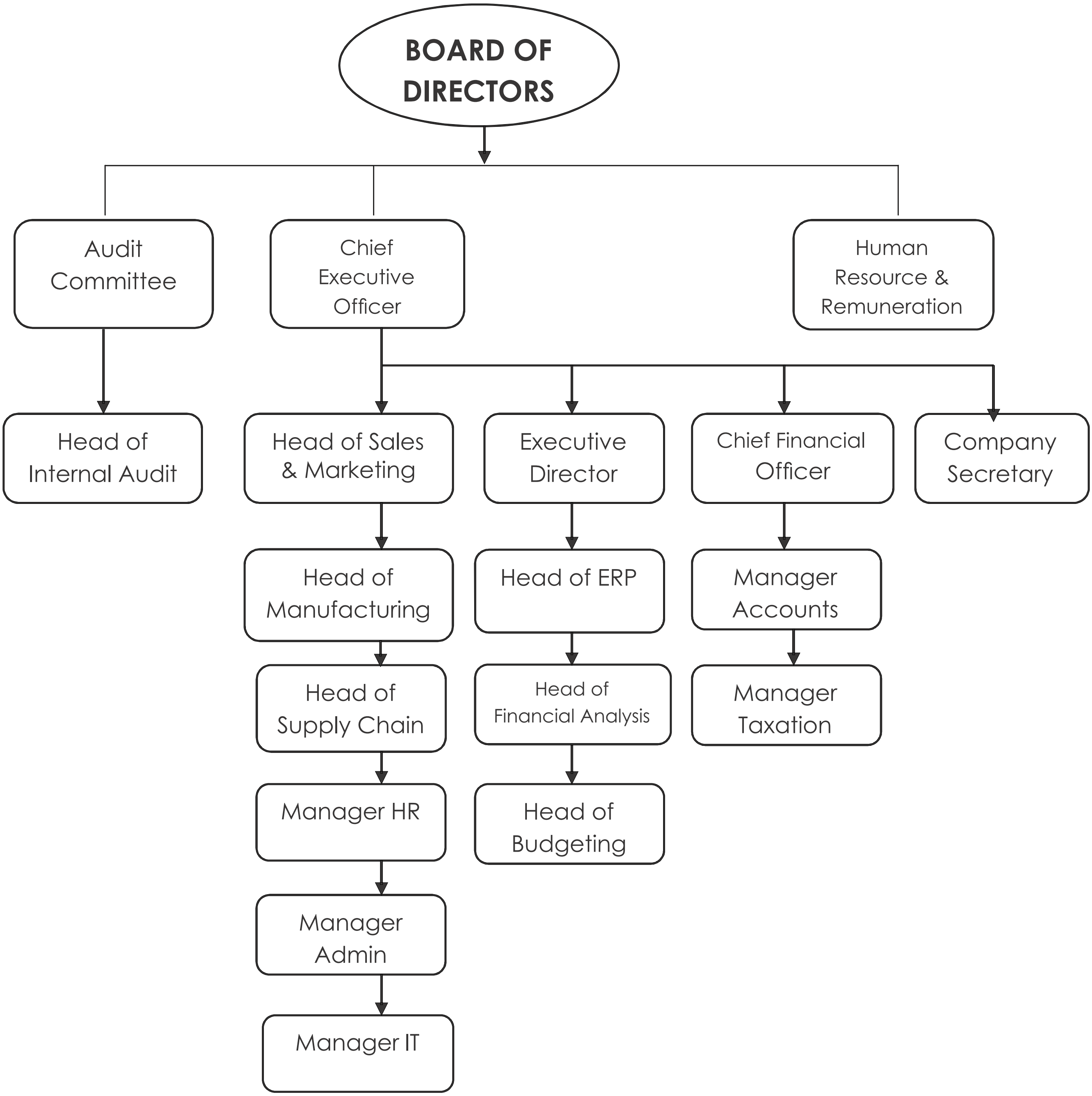
Mrs. Sobia Irshad, Director

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 expending 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:

This year has been one of the toughest and most challenging ones 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.

During the year, the government has been exorbitantly increasing electricity and petroleum prices in addition to imposing higher rates of corporate taxes for the sake of entering into a standby arrangement with The International Monetary Fund (IMF). Resultantly, this year our cost of production has observed a very steep hike as compared to that of the last year.

Another factor that added to the woes of the steel sector in particular and the industrial sector in general was the significant devaluation of Pakistani Rupee vis-à-vis US dollar leading to excessive increase in the raw material cost. Furthermore, our production cycle was also badly affected due to the government's ban on import of scrap for some period on account of the item being included in the non-essential category. This import ban by the government to save its rapidly depleting foreign reserves was a primary reason of abnormal rates fluctuation in the steel sector market.

Another adverse effect on the steel sector in the country has been caused by non-initiation of any new major projects by the federal and provincial governments under the Public Sector Program (PSDP). Furthermore, the slow pace of progress vis-à-vis the execution of China Pakistan Economic Corridor (CPEC) projects during the year has also been quite detrimental for the well-being of the steel sector.

Resultantly, against the backdrop of the above-mentioned adverse factors and over-all poor economic indicators prevailing in the country during the year due to political and economic instability, our sales volume has significantly shrunk to the level of Rs 2.94 billion as compared to the previous year's figure of Rs 5.024 billion. Our gross profit has also decreased to Rs 142.38 million as compared to the last year's figure of Rs 509.02 million. The company has to bear net loss of Rs 94.456 million this year.

Throughout the year, the company on its part has been taking best possible measures within its reach to mitigate the risk factors posed by the over-all poor economic indicators in the country through best possible financial and administrative steps in order to keep the losses at the minimum possible level.

With regard to the future outlook of the steel sector in particular and over-all industrial sector in general the years ahead would also be tough on account of low GDP growth rate and other macro-economic indicators in addition to the prevailing political instability in the country. This year the large-scale manufacturing in the country has declined by 10.26% and the trend is not expected to be reversed soon due to the prevailing political and economic uncertainty.

Currently, any immediate facilitation to the industrial sector by the government in terms of reducing energy rates or taxes seems to be impossible on account of the over-all economic situation of the country and the prevailing arrangement with the IMF. Things are expected to improve in the medium to long run only if the normalcy returns at the political and economic horizons after new elections and a new arrangement is secured with IMF to overcome the financial woes of the country. Let us hope for the best!

CHIEF EXECUTIVE MESSAGE

Dear Shareholders:

In the financial year ending on June 30, 2023 there was no smooth sailing due to the over-all political and economic turmoil in the country in addition to the rapidly increasing cost of doing business.

During the year our sales volume has decreased to the level of Rs 2.94 billion showing a decrease of almost 26% as compared to the previous year's figure of Rs 5.024 billion. Due to significant rise in cost of doing business our gross profit has decreased to Rs 142.38 million as compared to the last year's figure of Rs 509.02 million. The company this year has to bear net loss of Rs 94.456 million. The main factors responsible for such negative results are excessive devaluation of Pakistani Rupee in relation to US dollar leading to a very steep hike in our raw material cost. Furthermore, due to foreign exchange constraints, the extended ban on import of scrap being labelled as non-essential item this year has been another reason of our loss as it negatively affected our production cycle in addition to being the cause of extreme rates fluctuation in the steel sector market. The steel sector in the country has also been negatively affected due to non-initiation of any new major projects by the federal and provincial governments under the Public Sector Development Program (PSDP). Moreover, the pace of progress on execution of China Pakistan Economic Corridor (CPEC) projects during the year has also been quite slow in relation to the last year leading to negative effects on the steel sector.

Furthermore, throughout the year, the government has also been significantly increasing electricity/fuel rates in addition to hefty increase in taxes to pave the way for entering into a standby arrangement with The International Monetary Fund (IMF). Resultantly, this year our cost of production has exorbitantly increased as compared to that of the last year.

The output of the large scale manufacturing this year declined by 10.26% as compared to that of the last year which itself speaks volumes for the over-all industrial situation in the country. During the year, the political instability in addition to restriction on imports, weak macroeconomic indicators, monetary tightening, supply chain disruptions, and an increase in energy costs have added to the woes of an already under-developed and troubled industrial sector.

The future prospects of the steel sector in particular and over-all industrial sector in general in the short run are bound to be tough and challenging vis-à-vis the prevailing scenario of poor macro-economic indicators and political and economic instability. In the medium to long run the things are expected to improve only if the political and economic stability returns to the country and a new IMF program is secured by the incoming government after the elections. Let us hope that the hard times will be over and the industrial sector of the country starts playing its optimal role as an engine of growth for the progress and development of the country.

DIRECTORS' REPORT

It gives me great pleasure in presenting to you the Company's 18th Annual Report and Audited Accounts for the year ended 30th June 2023.

FINANCIAL RESULTS

Key financial results for the year are as follows:

Rupee in Million	Year Ended June 30, 2023	Year Ended June 30, 2022
(Loss)/profit before tax	(145)	222
Taxation	50.96	11.83
Other comprehensive (loss)	(6.3)	(1.5)
Un-appropriated profit	(100.79)	232
Opening retained Earnings	1,586	1,331
Total balance available for appropriation	1,506	1,586
Appropriations: *		
Transfer to general reserves	1,506	1,586
Proposed dividend 0% (2022:0%)	-	-
Earnings per share - basic & diluted (Rs)	(0.65)	1.62

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, 2023.

This year has proved to be a quite tough one due to a number of reasons including political and economic instability, significant devaluation of Pakistani Rupee vis-à-vis the US dollar causing a very sharp increase in the costs of our raw material, substantial increases in fuel/energy costs by the government and significant increase in taxes. During the year, the extended ban on import of scrap due to its inclusion in non-essential items category also proved quite problematic for our production cycle in addition to causing unexpected rates fluctuation in the steel sector market. Heavy floods in the Sindh province were another factor causing delay in transportation of raw material from the Karachi port to our mills' site leading to extraordinary disturbances in our production cycle.

Another factor that has negatively affected the steel sector is that no new major projects have been initiated by the federal and provincial governments under the Public Sector Development Program (PSDP). Furthermore, the pace of progress on China Pakistan Economic Corridor (CPEC) projects during the year has also been slow as compared to the last year leading to adverse effect on the steel sector.

Against the backdrop of the above-mentioned extremely difficult scenario, our sales volume this year decreased up to Rs 2.94 billion showing a decrease of almost 26% as compared to that of the last year. Moreover, as a result of very significant increase in cost of doing business, during the year company bear losses, however without the effect of depreciation the company financial results are as below:

Gross profit (with depre ciation expense charge to Cost of Sales)	142,389,900
Add: Depreciation	133,108,409
Gross profit (without depreciation expense)	**275,498,309**

(Loss) before taxation (with depreciation expense)	(145,417,002)
Add: Depreciation	139,780,765
Loss) before taxation (without depreciation expense)	**(5,636,237)**
Taxation (including deferred taxation)	50,960,526

The company on its part is making all-out efforts to hold its ground in the prevailing scenario of extreme political and economic instability leading to rapidly increasing costs of doing business in terms of highly volatile exchange rate and steep hikes in fuel/energy rates. It is hoped that the situation will gradually improve in tandem with over-all improvement in macro-economic indicators of the country.

1. Dividend

The Board has not proposed any cash dividend or bonus shares for the year ended June 30, 2023.

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 (IIIL) are pleased to present the annual report together with the audited financial statements of the company for the year ended 30th June 2023 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 International Financial Reporting Standards (IFRS), as applicable in Pakistan adopted by Securities and Exchange Commission of Pakistan and The 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 IIIL 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. Half yearly review and Quarterly unaudited financial statements along with Directors' review were published and circulated to the shareholders 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 2023 is attached at the end of the report.

(b) Shareholders' Information

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. Likewise, 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. Two 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**

NAME	DESIGNATION
Mr. Muhammad Mubashir Iqbal	Chairman (Independent Director)
Mr. Imran Khan	Secretary of the Committee
Mr. Khurram Jamil	Member (Independent Director)
Mr. Tayyab Ali	Member (Non-Executive Director)
Ms. Sobia Irshad	Member(Non-Executive Director)

During this year, five meetings of the Audit Committee were held.

15. Board of Director's Remuneration

No fees were paid to any Director for attending Board meetings 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. However, none of the Director of the company have attended Director's Training Program. The management is conscious of its responsibilities and is hopeful that the training of all Directors shall be completed soon.

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 IIIL 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, IIIL 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

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. Considerable investment has been made for welfare of the staff in order to provide safe and conducive environment.

23. Gratuity Funds Investment

The company operates Non-Funded Gratuity 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 2023 and will retire on conclusion of the Annual General Meeting. In view of the good corporate governance practices, the Board has also recommended consent of other QCR rated Chartered Accountant firms and as well as M/s. SARWARS Chartered Accountants, as External Auditors, for approval by the shareholders duly endorsed by the Audit Committee, for the appointment of External Auditors for the year ending 30th June 2024.

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 the company 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 2022-2023.

CEO/ Director

SARWARS
Chartered Accountants

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, 2023, 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, 2023.

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

Note. In the company's Board of Directors, it already has 2 female Directors appointed.

SARWARS
CHARTERED ACCOUNTANTS

Place: Lahore
Date: September 22, 2023
UDIN: CR202310208b3PZp8SCQ

JPA INTERNATIONAL
Member International Forum Of Firms

KEY FIGURES

PKR
Sales Revenue
8,284,453,567
(2022: 11,225,260,621)

PKR
EBITDA
67,071,040
(2022: 416,562,579)

PKR
Loss/Profit before Tax & Depreciation
(5,636,237)
(2022: 365,409,018)

PKR
Loss/Profit After Tax
(94,456,476)
(2022: 234,051,010)

PKR
Earning per share
(0.65)
(Earning per share 2022: 1.62)

%

Return on Capital Employed

0.01

(2022: 0.05)

PKR

Total Assest

7,277,223,473

(2022: 9,520,110,808)

%

Current Ratio

2.39

(2022: 1.78

PKR

Shareholder Equity

4,040,983,710

(2022: 4,121,230,899)

PKR

Breakup value per share

28

(2022: 28.55)

Last Five year Financial Review

(Amounts in PKR Mn.) Income Statement	FY19 Audited	FY20 Audited	FY21 Audited	FY22 Audited	FY23 Audited
Sales	6,809	3,385	6,200	11,225	8,284
Cost of Goods Sold	6,181	3,368	5,554	10,716	8,142
Gross Profit	639	18	645	509	143
EBITDA	628	-12.03	273	416	67
Operating Profit	505	-128	404	297	-63
Financial Charges	159	63	35	51.1	72.7
Profit before Taxation	322	-191	439	222	-145
Profit after Taxation	198	-239	267	234	-94
Balance Sheet					
Non-Current Assets	1722	1,965	2,069	1,987	1,952
Current Assets	4699	4,443	5,385	7,532	5,324
Total Assets	6422	6,408	7,455	9,520	7,277
Share Capital	1,443	1,443	1,443	1,443	1,443
Total Equity (including surplus on revaluation of assets)	4,098	3,979	4,441	4,673	4,573
Non-Current Liabilities	290	248	557	606	480
Deferred Liabilities	190	216	68	86	161
Current Liabilities	1,842	1,965	2,455	4,240	2,224
Total Liabilities	2,323	2,429	3,014	4,846	2,704
Total Equity and Liabilities	6,422	6,408	7,455	9,520	7,277
Total Number of Issued Shares of PKR 10/- each (mn)#	144.3	144.3	144.3	144.3	144.3
Financial Ratios					
Gross Margin(1)	9.39%	0.52%	10.42%	4.53%	1.72%
Operating Profit Margin(2)	7.42%	-3.78%	6.51%	2.65%	0.35%
Net Margin(3)	2.91%	-6.29%	4.30%	2.09%	-1.14%
EBITDA Margin(4)	9.22%	-0.36%	4.40%	3.71%	0.81%
EBIT Margin(5)	7.42%	-3.78%	6.51%	2.44%	-0.84%
Earnings Per Share (PKR) (6)	1.37%	-1.47%	1.85	1.62	-0.65
Current Ratio (x) (7)	2.6%	2.26%	2.19	1.78	2.39
Breakup Value Per Share (PKR) (8) (excluding surplus on revaluation of assets)	24	23.41	26.8	28.55	28
Breakup Value Per Share (PKR)(9) (including surplus on revaluation of assets)	28	27.6	30.7	32.38	31.68
Working Capital Turnover (x) (10)	2.38	1.37	2.12	3.41	2.67
Inventory Days(11)	109	176	127	81	88
Receivable Days(12)	42	158	78	49	85
Payable Days(13)	21	38	19	42	94
Inventory Turnover(14)	2.56	2	2.35	3.71	3.38

(Amounts in PKR Mn.) Income Statement	FY19 Audited	FY20 Audited	FY21 Audited	FY22 Audited	FY23 Audited
Receivable Turnover (15)	7.02	2.62	3.90	6.18	3.52
Payable Turnover (16)	14.01	1.84	2.35	7.08	3.18
Asset Turnover (17)	109%	53%	83%	132%	99%
Return on Asset (18)	3.18%	-3.32%	3.58%	2.46%	-1.30%
Return on Equity(including surplus on revaluation)(19)	4.92%	- 5.35%	6.01%	5.01%	-2.07%
Return on Equity (excluding surplus on revaluation)(20)	5.58%	-6.30%	6.90%	5.68%	-2.34%
Return on Fixed Asset (21)	11.20%	-5.30%	13.22%	11.98%	-4.84%
Debt to Equity (including surplus on revaluation) (22)	.32	0.46	0.43	0.36	0.31
Debt to Equity (excluding surplus on revaluation) (23)	.375	0.549	0.49	0.41	0.35
Debt to Assets (24)	.20	0.27	0.23	0.18	0.20

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. 144,343,364 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. 144,343,364 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 the year 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 144,343,364 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, 2023

The company has complied with the requirements of the regulations in the following manner:

1 The total number of directors is seven as per the following:

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

2 The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Mubashir Iqbal Mr. Khurram Jamil
Non-Executive Directors	Mr. Tayyab Ali Mrs. Wajeeha Shahzad Mrs. Sobia Irshad
Executive Directors	Mian Muhammad Pervaiz Shafi Mr. Shahzad Javed (CEO)

Determination of number of independent Directors comes to 2(rounding up not required) which is based on Six Elected Directors, excluding CEO who is considered as deemed Director.

3 The Directors have confirmed that none of them is serving as a Director on more than seven listed Companies including this Company.

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

5 The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6 All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the 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 the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8 The Board 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 soon.

10 The board has approved appointment of CFO, Company Secretary and Head of internal audit, including their remmuneration, terms, and conditions of employment complied with relevant requirements of the regulations.

11 Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

12 **The Board has formed committees comprising of members given below:**

Names of Committee	Names of Members and Chairman
Audit Committee	Mr. Muhammad Mubashir Iqbal (Chairman of the Committee) Mr. Imran Khan (Secretary of the Committee) Mr. Khurram Jamil (Member) Mr. Tayyab Ali (Member) Ms. Sobia Irshad (Member)
Human Resource and Remuneration Committee	Mr. Muhammad Mubashir Iqbal (Chairman of the Committee) Mr. Tayyab Ali (Member) Ms. Wajeeha Shahzad (Member)

13 The term of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.

14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:

a Audit Committee (Once in quarter/ Four in a year)
b HR & Remuneration Committee (Once in every financial year)

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

16 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.

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

18 We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.

19 Explanation for non compliance with reurements,other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr. No.	Requirements	Explanations	Regulations No.
1	Constitution of Risk Management Committee:	The function risk of management committee us currently performed by chief internal auditor who apprises the board accordingly. However the consideration of committee shall be completed before the close of current fiscal year.	**30**
2	Responsibilities of the Board and its members:	Non-mandatory provisions of the CCG Regulations are partially complied	**10(1)**
3	Nominations Committee:	Currently, the board has not constituted a separate Nomination Committee and the function are being performed by Executive Committee.	**29(1)**
4	Representation of Minority Shareholders:	No one intended to contest election as Director representing minority shareholders	**5**

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

For & on behalf of the board

Mian Muhammad Pervaiz Shafi
Chairman

Shahzad Javed
Chief Executive Officer

Lahore: Dated September 22, 2023

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FORM 34

THE COMPANIES ACT, 2017

(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		**30-06-2023**

	------Shareholdings------		
2.2 No. of Shareholders	**From**	**To**	**Total Shares Held**
334	1	100	16,014
291	101	500	125,886
1,930	501	1,000	1,186,202
1,614	1,001	5,000	3,328,611
317	5,001	10,000	2,387,851
110	10,001	15,000	1,368,335
84	15,001	20,000	1,527,000
48	20,001	25,000	1,125,207
22	25,001	30,000	617,800
28	30,001	35,000	934,660
21	35,001	40,000	819,531
12	40,001	45,000	529,000
25	45,001	50,000	1,229,500
14	50,001	55,000	757,430
8	55,001	60,000	457,925
5	60,001	65,000	317,000
8	65,001	70,000	551,500
5	70,001	75,000	372,500
3	75,001	80,000	235,250
6	85,001	90,000	531,350
4	90,001	95,000	380,000
9	95,001	100,000	897,376
3	100,001	105,000	308,250
8	105,001	110,000	871,000
1	110,001	115,000	111,100
2	115,001	120,000	234,423
3	120,001	125,000	369,950
1	125,001	130,000	129,600

1	135,001	140,000	136,500
2	140,001	145,000	288,000
4	145,001	150,000	598,000
3	155,001	160,000	476,800
1	165,001	170,000	167,000
1	170,001	175,000	174,000
2	180,001	185,000	365,500
1	190,001	195,000	194,500
7	195,001	200,000	1,399,000
1	205,001	210,000	205,500
3	210,001	215,000	641,850
2	215,001	220,000	435,500
1	235,001	240,000	237,000
1	265,001	270,000	266,200
1	270,001	275,000	275,000
1	285,001	290,000	285,500
2	295,001	300,000	600,000
2	345,001	350,000	700,000
2	435,001	440,000	873,000
2	495,001	500,000	998,500
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	615,001	620,000	620,000
1	750,001	755,000	755,000
1	755,001	760,000	755,500
1	765,001	770,000	768,000
1	800,001	805,000	802,500
1	860,001	865,000	862,000
1	965,001	970,000	969,500
1	975,001	980,000	976,000
2	1,060,001	1,065,000	2,126,000
1	1,070,001	1,075,000	1,075,000
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
4,988			**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.	3,259,500	2.2582%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	16,500	0.0114%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	125,024,617	86.6161%
b. Foreign	600	0.0004%
2.3.9 Others (to be specified)		
- Joint Stock Companies	4,226,111	2.9278%
- Others	33,796	0.0234%

ITTEFAQ IRON INDUSTRIES LIMITED
Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
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:		3,276,000	2.2696%
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%

ITTEFAQ IRON INDUSTRIES LTD.

Financial Statements

For the year ended 30 June 2022

SARWARS
Chartered Accountants

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, 2023**, 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, 2023 and of the loss and other comprehensive loss, 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, 2023, the company is under litigation with the National Bank of Pakistan 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, 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.

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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 to the extent applicable. However, the company has paid unclaimed dividend amounting Rs. 3,219,920/- during the year.

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.

There are no 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)

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)

SARWARS CHARTERED ACCOUNTANTS

Place: Lahore
Date: September 22, 2023
UDIN: AR2023102088pHA3LkDB

STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2023

EQUITY AND LIABILITIES	Note	30 / Jun / 2023 RUPEES	2022 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	532,070,860	552,615,129
		1,306,578,785	**1,327,123,054**
General reserves			
Un-appropriated profit		1,506,712,930	1,586,960,119
		4,573,054,570	**4,673,846,028**
Non-current liabilities			
Long-term finances	11	284,831,000	312,166,577
Lease liabilities	12	4,845,279	22,158,897
Deferred taxation	13	28,994,870	186,098,594
Deferred liabilities	14	161,391,010	106,168,060
		480,062,159	**626,592,128**
Current liabilities			
Trade and other payables	15	1,068,480,018	3,026,636,871
Unclaimed dividends	16	470,280	3,690,200
Mark-up accrued on borrowings	17	80,695,148	70,859,259
Short-term borrowings	18	1,028,133,005	1,076,374,361
Current portion of long term liabilities	19	46,328,293	42,111,961
		2,224,106,744	**4,219,672,652**
Contingencies and commitments	20	-	-
		7,277,223,473	**9,520,110,808**

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 2023

	Note	30 / Jun / 2023 RUPEES	2022 RUPEES
ASSETS			
Non-current assets			
Property, plant and equipment	21	1,875,591,119	1,905,558,661
Right-of-use assets	22	57,002,802	63,336,447
Long-term deposits	23	20,026,226	18,972,226
		1,952,620,147	**1,987,867,334**
Current assets			
Stores, spare parts and loose tools	24	548,535,101	370,575,418
Stocks-in-trade	25	1,457,816,071	3,354,382,051
Trade debts	26	2,632,056,483	2,069,138,079
Loans and advances	27	139,164,387	315,381,523
Trade deposits and prepayments	28	142,585,602	142,679,427
Tax refunds due from government	29	383,576,914	463,318,761
Cash and bank balances	30	20,868,768	816,768,215
		5,324,603,326	**7,532,243,474**
		7,277,223,473	**9,520,110,808**

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2023

	Note	30 / Jun / 2023 RUPEES	2022 RUPEES
Sales - net	31	8,284,453,567	11,225,260,621
Cost of sales	32	8,142,063,667	10,716,240,783
Gross profit		**142,389,900**	**509,019,838**
Other operating income	33	24,116,983	10,475,322
Distribution and selling cost	34	98,941,644	84,696,630
Administrative and general expenses	35	106,752,160	88,329,021
Other operating cost	36	30,763,183	70,957,239
Finance cost	37	75,466,898	53,293,074
		311,923,885	**297,275,964**
(Loss)/profit before taxation		(145,417,002)	222,219,196
Taxation	38	50,960,526	11,831,814
(Loss)/profit after taxation		**(94,456,476)**	**234,051,010**
Earnings per share - (basic and diluted)	39	**(0.65)**	**1.62**

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

CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	30 / Jun / 2023 RUPEES	2022 RUPEES
(Loss)/profit after taxation		(94,456,476)	234,051,010
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Employee retirement benefits:			
Remeasurement of defined benefits obligation	14	(8,922,510)	(2,201,668)
Related deferred tax	13	2,587,528	638,484
		(6,334,982)	**(1,563,184)**
Total comprehensive (loss)/income for the year		**(100,791,458)**	**232,487,826**

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Share capital	Reserves – Capital – Share premium	Reserves – Capital – Surplus on revaluation of operating asset	Reserves – Revenue – Un-appropriated profit	Director's loan's	Total equity
	------------------------------ Rupees ------------------------------					
Balance as at 1st July 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	-	-	-	234,051,010	-	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**
Loss after taxation for the year	-	-	-	(94,456,476)	-	(94,456,476)
Other comprehensive income						
Employee retirement benefits						
Remeasurements of benefit plan	-	-	-	(8,922,510)	-	(8,922,510)
Less: Related deferred tax	-	-	-	2,587,528	-	2,587,528
	-	**-**	**-**	**(6,334,982)**	**-**	**(6,334,982)**
Transfer from revaluation surplus (net of deferred tax) - note 10	-	-	(20,544,269)	20,544,269	-	-
Balance as at 30 June 2023	**1,443,433,640**	**774,507,925**	**532,070,860**	**1,506,712,930**	**316,329,215**	**4,573,054,570**

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CASH FLOW

For the year ended 30 June 2023

	Note	30 / Jun / 2023 RUPEES	2022 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	40	(372,943,487)	1,152,400,967
Income taxes paid	29.1	(170,425,554)	(103,225,890)
Workers' profit participation fund paid	15.3	(14,259,248)	(23,584,881)
Employee benefits paid	14.1	(11,807,222)	(8,600,604)
Finance cost paid		(30,090,549)	(34,554,703)
Net cash (used in) / generated from operating activities		**(599,526,060)**	**982,434,889**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) in long-term deposits	23.1	(1,054,000)	-
Acquisition of property, plant and equipment		(30,998,989)	(119,798,986)
Capital work-in-progress		(72,521,259)	58,091,788
Proceeds from disposal of property, plant and equipment	21.3	95,000	259,317
Net cash used in investing activities		**(104,479,248)**	**(61,447,881)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends		(3,219,920)	(39,879)
Re-payment of lease obligations		(13,417,286)	15,652,505
Long term loan		(27,015,577)	122,964,488
Proceeds from short-term borrowings (net)		(48,241,356)	(276,796,311)
Net cash (used in) / generated from financing activities		**(91,894,139)**	**(138,219,197)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		(795,899,447)	782,767,811
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	30	816,768,215	34,000,404
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**20,868,768**	**816,768,215**

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 2023

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 There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2022. However, these amendments do not have any significant impact on the Company's financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

• IAS 1 (Amendments) 'Presentation of Financial Statements' and Disclosure of Accounting Policies';
• IAS 7 (Amendments) 'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosures';
• IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
• IAS 12 (Amendments) 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction and 'Income Taxes' International Tax Reform-Pillar Two Model Rules';
• IFRS 16 (Amendments) 'Lease Liability in a Sale and Leaseback';

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

IAS 1	'Presentation of Financial Statements' (effective for annual reporting periods beginning on or after January 1, 2023).	Amendment to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after January 1, 2023). The amendments provide more general approach to the classification of liabilities under IAS based on the contractual arrangements in place at the reporting date.
IAS 1	'Presentation of Financial Statements' (effective for annual reporting periods beginning on or after January 1, 2023).	Amendment to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants (effective for annual reporting periods beginning on or after January 1, 2023). The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
IAS 1	"Disclosure of Accounting Policies' (effective for annual reporting periods beginning on or after January 1, 2023).	Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' (effective for annual reporting periods beginning on or after January 1, 2023). The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
IAS 7 & IFRS 7	'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosures' (effective for annual reporting periods beginning on or after January 1, 2024).	Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements (effective for annual reporting periods beginning on or after January 1, 2024). The amendments introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.
IAS 8	"Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual reporting periods beginning on or after January 1, 2023)	Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'- Definition of Accounting Estimates (effective for annual reporting periods beginning on or after January 1, 2023). The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

IAS 12	"Income Taxes'- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted).	Amendments to IAS 12 'Income Taxes'- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date
IAS 12	"Income Taxes'- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted).	Amendments to IAS 12 'Income Taxes'- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date
IAS 12	"Income Taxes' - International Tax Reform-Pillar Two Model Rules (effective for annual reporting periods beginning on or after January 1, 2023).	Amendments to IAS 12 'Income Taxes' - International Tax Reform-Pillar Two Model Rules (effective for annual reporting periods beginning on or after January 1, 2023). The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.
IFRS 16	"Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024).	Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024). The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. It requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

On June 25, 2020, the IASB issued Amendment to IFRS 4 'Insurance Contracts'. The fix expiry date for the exemption in IFRS 4 from applying IFRS 9 for an entity choosing to apply the deferral approach is now January 1, 2023

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan.

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)

- IFRS 17 (Insurance Contracts)

- IFRIC 12 (Service concession arrangements

Securities and Exchange Commission of Pakistan (SECP) through S.R.O 67(1)/2023 dated January 20, 2023, in partial modification of its previous S.R.O 1177 (1)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan (GoP) in respect of circular debt , the requirements contained in IFRS 9 (Financial Instrument) with respect to application of Expected Credit Loss (ECL) model shall not be applicable on such financial instruments for the year ending on or before December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

The Company has voluntarily not availed this exemption and has continued to apply the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model.

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 2023, 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 of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

2023	2022		**30 / Jun / 2023**	30 / Jun / 2022
------- Number of shares -------			**Rupees**	Rupees
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

2023	2022		**30 / Jun / 2023**	30 / Jun / 2022
------- Number of shares -------			**Rupees**	Rupees
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:

2023	2022		**30 / Jun / 2023**	30 / Jun / 2022
------- Number of shares -------			**Rupees**	Rupees
144,343,364	**144,343,364**	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.

		30 / Jun / 2023	30 / Jun / 2022
		Rupees	Rupees
8 DIRECTOR'S LOAN'S			
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 (2022: 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**

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

10.1 As at 30 June 2023

	Freehold land	Buildings on freehold land	Plant and machinery	Aggregate
	------------------------------	Rupees	------------------------------	
Revaluation surplus				
At beginning of the year	338,684,248	23,910,379	277,400,720	639,995,347
Less: Transferred to unappropriated profit in respect of incremental depreciation charged for the year	-	(1,195,519)	(27,740,072)	(28,935,591)
At end of the year	**338,684,248**	**22,714,860**	**249,660,648**	**611,059,756**
Related deferred tax liabilities				
At beginning of the year	-	(6,934,009)	(80,446,209)	(87,380,218)
Incremental depreciation charged during the year	-	346,701	8,044,621	8,391,322
At end of the year	**-**	**(6,587,308)**	**(72,401,588)**	**(78,988,896)**
At end of the year (net)	**338,684,248**	**16,127,552**	**177,259,060**	**532,070,860**

10.2 As at 30 June 2022

	Freehold land	Buildings on freehold land	Plant and machinery	Aggregate
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**	**277,400,720**	**639,995,347**
Related deferred tax liabilities				
At beginning of the year	-	(7,298,957)	(89,384,677)	(96,683,634)
Incremental depreciation charged during the year	-	364,948	8,938,468	9,303,416
At end of the year	**-**	**(6,934,009)**	**(80,446,209)**	**(87,380,218)**
At end of the year (net)	**338,684,248**	**16,976,370**	**196,954,511**	**552,615,129**

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. The company in the current year carried out an internal valuation to assess the values of fixed assets at the reporting date and determined the values approximate to book values.

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 / 2023 Rupees	30 / Jun / 2022 Rupees
11	**LONG TERM LOANS**			
	Bank of Punjab Limited-FATR/FIM	- note 18.1	179,174,000	194,364,041
	Bank of Punjab Limited-CF	- note 18.3	133,657,000	145,482,536
			312,831,000	**339,846,577**
	Less: Current Portion of Long term Loans		(28,000,000)	(27,680,000)
			284,831,000	**312,166,577**

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
12	**LEASE LIABILITIES**		
	Balance at beginning of the year	36,589,947	48,618,353
	Accretion of interest	6,266,346	7,943,074
	Lease rental payments made during the year	(19,682,721)	(19,971,480)
	Balance at end of the year	23,173,572	36,589,947
	Current portion of lease liabilities	(18,328,293)	(14,431,050)
	Long-term lease liabilities	**4,845,279**	**22,158,897**

12.1 Maturity analysis

	30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
Gross lease liabilities - minimum lease payments:		
Not later than 1 year	19,971,480	19,971,480
Later than 1 year but not later than 5 years	6,008,911	24,964,350
	25,980,391	44,935,830
Future finance charge	(2,806,819)	(8,345,883)
Present value of finance lease liabilities	**23,173,572**	**36,589,947**

12.1.1 Terms and conditions of the lease arrangement

Lessor	The above represents finance lease entered into with M/s. OLP Financial Services Pakistan Limited (formerly Orix Leasing Pakistan Limited) for lease of plant and machinery.
Repayment	The liability under the agreement is payable in sixty (60) monthly instalments and will mature on September 2024.
Finance cost	The lease facility is subject to annual finance charge of 21.82% (2022: 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.

		Note	30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
13	**DEFERRED TAXATION**			
	Deferred tax liability on taxable temporary differences			
	Accelerated depreciation on property, plant and equipment		141,665,204	181,130,223
	Lease finances		9,810,477	7,756,485
	Surplus on revaluation of property, plant and equipment		78,988,896	87,380,218
	Deferred tax asset on deductible temporary differences		**230,464,577**	**276,266,926**
	Provision for Gratuity		(32,614,836)	(24,869,131)
	Other Provisions (minimum taxes and business losses)	13.2	(168,854,871)	(65,299,201)
			(201,469,707)	**(90,168,332)**
			28,994,870	**186,098,594**

The company has recognized deferred tax asset on minimum tax and business losses to the extent of its reversibility 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 2023					
Accelerated depreciation	181,130,223	-	(39,465,019)	-	141,665,204
Surplus on revaluation of assets	87,380,218	-	(8,391,322)	-	78,988,896
Lease finances	7,756,485	-	2,053,992	-	9,810,477
Other Provisions	(65,299,201)	-	(103,555,670)	-	(168,854,871)
Provision for Gratuity	(24,869,131)	-	(5,158,177)	(2,587,528)	(32,614,836)
	186,098,594	**-**	**(154,516,196)**	**(2,587,528)**	**28,994,870**
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**

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

13.3 Rate Reconciliation with current tax and deferred tax

	2023	2022
Profit/(Loss) before tax	(145,417,002)	222,219,197
Admissible	(158,670,209)	(160,089,782)
In -admissible	179,855,079	216,960,804
Tax @ 29%	(36,027,318)	80,936,163
Minimum Tax adjustments	103,555,670	59,379,595
Minimum Tax payable	103,555,670	151,479,367
Deferred tax difference- on taxable temporary difference	(45,802,349)	(7,267,578)
Deferred tax Difference- on deductible temporary difference	(108,713,847)	(69,715,061)
	(50,960,526)	**74,496,728**
Prior year adjustment	-	(86,328,542)
Total tax	**(50,960,526)**	**(11,831,814)**

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
14 DEFERRED LIABILITIES			
Defined gratuity benefit plan	- note 14.1	112,464,952	85,755,625
Provisional finance expense	- note 14.8	35,540,460	-
Present value of markup	- note 33.1	13,385,598	20,412,435
		161,391,010	**106,168,060**
14.1 Reconciliation of present value of defined benefit obligation			
Obligation at beginning of the year		85,755,625	68,326,851
Charge for the year			
- Profit and loss account	- note 14.2.1	29,594,039	23,827,710
- Other comprehensive income	- note 14.2.2	8,922,510	2,201,668
		38,516,549	**26,029,378**
Benefits paid during the year		(11,807,222)	(8,600,604)
Obligation at end of the year		**112,464,952**	**85,755,625**
14.2 Reconciliation of present value of defined benefit obligation			
Present value of defined benefit obligations		85,755,625	68,326,851
Current service cost		19,013,647	17,425,055
Interest cost on defined benefit obligations		10,580,392	6,402,655
Benefits paid during the year		(11,807,222)	(8,600,604)
Remeasurements recogonized in other comprehensive income			
Actuarial (gain)/losses from changes in financial assumptions		5,020,848	865,900
Experience adjustments		3,901,662	1,335,768
		8,922,510	**2,201,668**
At end of the year		**112,464,952**	**85,755,625**
14.2.1 Charge to profit and loss account			
Current service cost		19,013,647	17,425,055
Interest cost		10,580,392	6,402,655
		29,594,039	**23,827,710**
14.2.2 Remeasurements recognized in other comprehensive income			
Actuarial loss due to changes in financial assumptions		5,020,848	865,900
Actuarial (gain) / loss due to Experience adjustments		3,901,662	1,335,768
Net actuarial (gain) / loss for the year		**8,922,510**	**2,201,668**

	2023	2022
	--------- % 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	**13.25**	**10**
Valuation discount rate for year end liabilities	**16.25**	**13.25**
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 2023 would have been as follows:

	30 / Jun / 2023		30 / Jun / 2022	
	Variation of 100 bps		Variation of 100 bps	
	Increase	Decrease	Increase	Decrease
	------------- Rupees -------------		------------- Rupees -------------	
Discount rate	**104,912,129**	121,114,141	**73,633,227**	79,741,710
Future salary	**121,341,617**	104,573,507	**79,741,710**	73,633,227

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. 29,594,039.

14.6 Average duration of the obligation

Weighted average duration of the defined benefit obligation is 7 (2022: 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.

14.8 The company has entered into restructuring agreement with The Bank of Punjab. The loan has been restructured on revised terms and conditions, and the bank booked markup @ 8.02% on outstanding liability on prudent basis and is likely to book markup till the final settlement of the loans and also intends to waive off the markup if the company complies with strict terms and conditions. The markup is payable only if the company make defaults in agreed payments and the bank has confirmed the same. Therefore, the company has also recognized the provision for mark up as per the revised schedule.

			30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
15	**TRADE AND OTHER PAYABLES**			
	Creditors		640,505,922	1,999,962,782
	Advances from customers	- note 15.1	246,842,518	733,606,955
	Accrued expenses		124,036,666	197,565,479
	Deposits	- note 15.2	1,196,157	1,179,680
	Workers' profit participation fund	- note 15.3	-	14,259,248
	Other payables		55,898,755	80,062,727
			1,068,480,018	**3,026,636,871**

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.

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
15.3	**Workers' profit participation fund**		
	At beginning of the year	14,259,248	23,584,881
	Add: Provision for the year	-	14,259,248
	Less: Paid during the year	(14,259,248)	(23,584,881)
	At end of the year	**-**	**14,259,248**

		30 / Jun / 2023	30 / Jun / 2022
16	**UNCLAIMED DIVIDENDS**	**470,280**	**3,690,200**

16.1 This represents unclaimed dividends as on the reporting date.

16.2 The company has paid Rs. 3,219,920 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.

			30 / Jun / 2023	30 / Jun / 2022
17	**MARK-UP ACCRUED ON BORROWINGS**			
	Cash finances		12,628,266	12,628,266
	Short-term borrowings- FATR/FIM		68,066,882	48,937,623
	Mark up on long term loan- CF/FATR		-	9,293,370
			80,695,148	**70,859,259**
18	**SHORT-TERM BORROWINGS**			
	Cash finances			
	- National Bank of Pakistan	- note 18.2	166,945,408	166,945,408
			166,945,408	**166,945,408**
	FATR / FIM			
	- National Bank of Pakistan	- note 18.4	694,989,535	694,989,535
	- Soneri Bank Limited	- note 18.5	166,198,062	214,439,418
			861,187,597	**909,428,953**
			1,028,133,005	**1,076,374,361**

	Name of Bank | Facility Type	Interest	Security	30 / Jun / 2023 Facility Limit	30 / Jun / 2023 Facility Availed	30 / Jun / 2022 Facility Limit	30 / Jun / 2022 Facility Availed
				Rupees			
18.1	Bank of Punjab Limited | Cash finances	3 months KIBOR plus 225 bps (2022: 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**	**133,657,000**	350,000,000	145,482,536
18.2	National Bank of Pakistan | Cash finances	3 months KIBOR plus 250 bps (2022: 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 (2022: 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**	**179,174,000**	200,000,000	194,364,041
18.4	National Bank of Pakistan | FATR / FIM	3 months KIBOR plus 200 bps (2022: 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 (2022: 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**	**166,198,062**	220,000,000	214,439,418
				1,950,000,000	**1,340,964,005**	1,970,000,000	1,416,220,938

19 CURRENT PORTION OF LONG TERM LIABILITIES

Long Term Loan	28,000,000	27,680,000
Current portion of lease obligations	18,328,293	14,431,961
	46,328,293	**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 (2022: Rs. 114,913,610) had been issued in favors of the Company by various financial institutions.

(c) Accrued markup on Bank of Punjab is contingent upon timely repayment of loan installments as per the agreed schedule.

		30 / Jun / 2023 **Rupees**	30 / Jun / 2022 Rupees
20.2 Commitments			
Irrevocable letters of credit/contracts		-	977,106,230
21 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	- note 21.1	1,803,069,860	1,905,558,661
Capital work-in-progress	- note 21.6	72,521,259	-
		1,875,591,119	**1,905,558,661**

21.1 Property, Plant & Equipment

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	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	0%	-	-	-	-	338,684,248
Building on freehold land	598,301,474	15,866,683	-	614,168,157	5%	191,635,427	-	20,335,470	211,970,897	402,197,260
Building- Revaluation	45,357,943	-	-	45,357,943	5%	21,447,564	-	1,195,519	22,643,083	22,714,860
Plant and machinery	1,284,400,877	6,075,774	-	1,290,476,651	10%	632,355,532	-	65,206,195	697,561,727	592,914,924
Plant and machinery-Revaluation	702,082,162	-	-	702,082,162	10%	424,681,443	-	27,740,072	452,421,515	249,660,647
Grid station	57,279,039	-	-	57,279,039	10%	46,075,456	-	1,120,358	47,195,814	10,083,225
Electric installation and equipment	295,664,510	6,825,077	-	302,489,587	10%	153,805,304	-	14,187,785	167,993,089	134,496,498
Laboratory equipment	11,982,088	840,000	-	12,822,088	10%	9,110,315	-	292,546	9,402,861	3,419,227
Loose tools	302,509	-	-	302,509	10%	243,339	-	5,917	249,256	53,253
Office equipment	11,224,249	502,898	(24,000)	11,703,147	20%	6,480,130	(12,000)	995,298	7,463,428	4,239,719
Furniture and fixture	7,176,913	158,357	-	7,335,270	10%	4,576,007	-	287,462	4,863,469	2,471,801
Arms and ammunition	146,013	-	-	146,013	10%	116,973	-	2,904	119,877	26,136
Motor vehicles	30,450,950	730,200	(204,800)	30,976,350	20%	20,288,826	(176,130)	2,077,594	22,190,290	8,786,060
Sub-total	**3,416,374,977**	**30,998,989**	**(228,800)**	**3,447,145,166**		**1,510,816,316**	**(188,130)**	**133,447,120**	**1,644,075,306**	**1,803,069,860**
Assets subject to finance lease										
Plant and machinery	78,214,573	-	-	78,214,573	10%	14,878,126	-	6,333,645	21,211,771	57,002,802
Sub-total	**78,214,573**	**-**	**-**	**78,214,573**		**14,878,126**	**-**	**6,333,645**	**21,211,771**	**57,002,802**
Capital work in progress										
Building	-	19,492,746	(15,866,683)	3,626,063	0%	-	-	-	-	3,626,063
Plant and machinery	-	60,466,718	(6,075,774)	54,390,944	0%	-	-	-	-	54,390,944
Arms and ammunition	-	21,329,329	(6,825,077)	14,504,252	0%	-	-	-	-	14,504,252
Sub-total	**-**	**101,288,793**	**(28,767,534)**	**72,521,259**		**-**	**-**	**-**	**-**	**72,521,259**
Grand Total Current Period	**3,494,589,550**	**132,287,782**	**(28,996,334)**	**3,597,880,998**	**-**	**1,525,694,442**	**(188,130)**	**139,780,765**	**1,665,287,077**	**1,932,593,921**

Depreciation for the period has been allocated as under:		2023	2022
Cost of goods manufactured	95%	126,774,764	129,344,817
Cost of goods manufactured (Lease)		6,333,645	7,037,383
Administrative expenses	5%	6,672,356	6,807,622
Total depreciation during the year		**139,780,765**	**143,189,822**

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	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**
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
		143,189,822	**138,652,293**

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 / 2023			30 / June / 2022		
	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	614,168,157	211,970,897	402,197,260	598,301,474	191,635,427	406,666,047
Plant and machinery	1,290,476,651	697,561,727	592,914,924	1,284,400,877	632,355,532	652,045,345
	1,937,966,810	**909,532,624**	**1,028,434,186**	**1,916,024,353**	**823,990,959**	**1,092,033,394**

21.3 Disposal of property, plant and equipment

This represents disposal of assets 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
2023 Vehicles		102,500	87,598	14,902	38,000	23,098	Driver
		102,300	88,532	13,768	45,000	31,232	Employee
2023 Office equipment		24,000	12,000	12,000	12,000	-	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

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
21.5 Depreciation for the tax year has been allocated as follows:			
Cost of sales	- note 32	133,108,409	136,382,200
Administrative expenses	- note 35	6,672,356	6,807,622
		139,780,765	143,189,822

21.6 Capital work-in-progress

	Buildings on freehold land	Plant and machinery	Electric equipment	Aggregate
		------------------------ Rupees ------------------------		
As at 30 June 2023				
Beginning balance	-	-	-	-
Additions	19,492,746	60,466,718	21,329,329	101,288,793
Transfers	(15,866,683)	(6,075,774)	(6,825,077)	(28,767,534)
Closing balance	**3,626,063**	**54,390,944**	**14,504,252**	**72,521,259**
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	**-**	**-**	**-**	**-**

			30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
22	**RIGHT-OF-USE ASSETS**			
	Plant and machinery acquired on lease	- note 21.1	63,336,447	70,373,830
	Add: Further expense incurred by the Company		-	-
			63,336,447	70,373,830
	Less: Depreciation on right-of-use assets (On no. of days basis)		(6,333,645)	(7,037,383)
			57,002,802	**63,336,447**

Depreciation is charged on reducing balance basis.

23	**LONG-TERM DEPOSITS**			
	Deposits with various institutions	- note 23.1	**20,026,226**	**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	1,054,000	-
At end of the year	**20,026,226**	**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	394,173,303	317,660,532
	Spare parts	153,857,046	52,514,134
	Loose tools	504,752	400,752
		548,535,101	**370,575,418**

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
25 STOCKS-IN-TRADE			
Raw material		923,274,627	1,494,943,072
Finished goods		534,541,444	1,859,438,979
		1,457,816,071	**3,354,382,051**

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

26 TRADE DEBTS			
Local - unsecured			
Considered good		16,108,028	15,949,509
Considered doubtful		2,842,593	2,071,209
		18,950,621	**18,020,718**
Less: Provision for doubtful debts	- note 26.1	(2,842,593)	(2,071,209)
		16,108,028	**15,949,509**
Local - secured and considered good	- note 26.2	2,615,948,455	2,053,188,570
		2,632,056,483	**2,069,138,079**

26.1 Provision for doubtful debts

Add: Provision for the year	- note 36	2,842,593	2,071,209
Less: Write off against provision		(2,842,593)	(2,071,209)
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	922,214,677	724,923,251
Past due 31 - 60 days	1,317,449,538	1,035,604,644
Past due 61 - 365 days	376,284,240	292,660,675
Past due over 365 days	18,950,621	18,020,718
	2,634,899,076	**2,071,209,288**

27 LOANS AND ADVANCES			
Advances to: (unsecured but considered good)			
- Employees			
against salaries		1,791,865	1,458,370
against expenses	- note 27.1	2,987,664	2,874,166
		4,779,529	**4,332,536**
- Suppliers		76,278,320	141,481,496
		81,057,849	**145,814,032**
Letters of credits		58,106,538	169,567,491
		139,164,387	**315,381,523**

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.

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
28 TRADE DEPOSITS AND PREPAYMENTS			
Prepayments		6,772,512	6,834,714
Trade deposits		20,899,980	20,931,603
Guarantee margins		114,913,110	114,913,110
		142,585,602	**142,679,427**
29 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax recoverable	- note 29.1	295,793,400	228,923,516
Sales tax refundable	- note 29.2	87,783,514	234,395,245
		383,576,914	**463,318,761**
29.1 Income tax recoverable			
At beginning of the year		228,923,516	196,732,701
Add: Advance income tax / deductions during the year		170,425,554	103,225,890
		399,349,070	**299,958,591**
Less: Provision for taxation -	- note 38		
- Current year		(103,555,670)	(151,479,367)
- Prior periods		-	86,328,542
		(103,555,670)	**(65,150,825)**
Less: Workers' welfare fund	- note 36	-	(5,884,250)
At end of the year		**295,793,400**	**228,923,516**

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		266,986	5,601,082
With banks			
- On current accounts		17,439,840	341,103,155
- On saving accounts	- note 30.1	3,161,942	470,063,978
		20,601,782	**811,167,133**
		20,868,768	**816,768,215**

30.1 The profit rate in respect of savings accounts ranges between 10% and 20% per annum (2022: 5.50% to 10.25% per annum) and is recognized on receipt basis)

			30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
31	**SALES - NET**			
	Gross sales		9,712,371,532	13,133,554,921
	Less: Sales tax		(1,427,917,875)	(1,908,294,300)
	Net sales		**8,284,453,567**	**11,225,260,621**
32	**COST OF SALES**			
	Consumption			
	- Raw material	- note 32.1	4,768,719,949	8,442,781,411
	- Stores, spare parts and loose tools		373,249,255	435,399,820
			5,141,969,204	**8,878,181,231**
	Salaries, wages, allowances and other benefits	- note 32.2	320,129,563	277,713,145
	Fuel and power		1,007,322,631	1,477,581,405
	Vehicle running and maintenance		8,273,050	5,184,812
	Repairs and maintenance		130,542,231	153,281,246
	Freight and forwarding		18,182,582	14,910,573
	Insurance		4,818,196	4,947,771
	Laboratory		1,971,127	1,148,998
	Traveling and conveyance		15,110,132	9,083,716
	Entertainment		1,870,622	2,294,701
	Other manufacturing overheads		33,868,385	29,875,520
	Depreciation on property, plant and equipment	- note 21.5	126,774,764	129,344,817
	Depreciation on right-of-use assets	- note 22	6,333,645	7,037,383
	Cost of goods manufactured		**6,817,166,132**	**10,990,585,318**
	Adjustment of finished goods			
	Opening stocks		1,859,438,979	1,585,094,444
	Less: Closing stocks		(534,541,444)	(1,859,438,979)
			1,324,897,535	**(274,344,535)**
			8,142,063,667	**10,716,240,783**

32.1 Raw material consumed

Opening stocks	1,494,943,072	833,444,110
Add: Purchases and related direct cost	4,197,051,504	9,104,280,373
Less: Closing stocks	(923,274,627)	(1,494,943,072)
Raw material consumed	**4,768,719,949**	**8,442,781,411**

32.2 Salaries, wages, allowances and other benefits

Salaries, wages, allowances and other benefits includes employee retirement benefits amounting to Rs. 24,267,112 (2022: Rs. 19,616,638).

33	**OTHER OPERATING INCOME**			
	On financial assets			
	Return on bank deposits		16,197,906	10,358,162
	Notional income on remeasurement of markup under IFRS 9	33.1	7,026,837	-
			23,224,743	**10,358,162**
	On non-financial assets			
	Gain on disposal of property, plant and equipment	- note 21.3	54,330	41,540
	Others		837,910	75,620
			892,240	**117,160**
			24,116,983	**10,475,322**

33.1 The company has remeasured its markup on prevailing KIBOR rate issued by SBP.

Financial liability:		
Opening balance	20,412,435	-
Remeasurement gain/(loss)	7,026,837	-
Closing balance	**13,385,598**	**20,412,435**
KIBOR rate	23.27%	15.73%

The company is liable to pay markup accrued already in the books of account upto date May 26, 2022 as per the restructured loan arrangements with Bank of Punjab , the said mark up is payable in 2032 and the carry an option to be waived off the accrued markup if the company strictly complies to rescheduled loan arrangements and don't make any default in repayments. Since the said payment is subject to conditions and likely to be paid in 2032 , therefore the company has discounted the said amount of markup amounting Rs. 87 million @ 23.27 % (2022- @ 15.73%) and the accrued mark up has been remeasured at the reporting date as per the provisions of IFRS 09.

			30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
34	**DISTRIBUTION AND SELLING COST**			
	Salaries and allowances	- note 34.1	14,097,502	10,831,183
	Packing materials		21,001,553	23,090,307
	Rebates and commission		2,493,486	257,910
	Handling and carriage		9,102,530	10,406,650
	Advertisement		24,890,605	28,865,393
	Others		27,355,968	11,245,187
			98,941,644	**84,696,630**

34.1 Salaries and allowances

Salaries and allowances includes employee retirement benefits amounting to Rs. 1,183,762 (2022: Rs. 897,677).

35	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries and allowances	- note 35.1	64,756,257	58,521,350
	Travelling and conveyance		2,019,443	1,412,196
	Entertainment		1,180,573	454,125
	Vehicle running and maintenance		14,547,937	9,495,402
	Printing and stationary		1,303,813	1,380,226
	Communication		2,332,159	1,635,940
	Electricity and sui gas		2,827,115	1,327,308
	Legal and professional		2,840,720	2,655,471
	Fee and subscription		5,186,075	2,759,119
	Insurance expenses		976,845	962,835
	Other expenses		2,108,867	917,427
	Depreciation on property, plant and equipment	- note 21.5	6,672,356	6,807,622
			106,752,160	**88,329,021**

35.1 Salaries and allowances

Salaries and allowances includes employee retirement benefits amounting to Rs. 4,143,165 (2022: Rs. 3,313,394).

36	**OTHER OPERATING COST**			
	Charity and donation	- note 36.1	1,275,000	1,200,000
	Auditor's remuneration	- note 36.2	1,870,000	1,870,000
	Service cost		24,775,590	45,672,532
	Provision for workers' profit participation fund	- note 15.3	-	14,259,248
	Provision for workers' welfare fund	- note 29.1	-	5,884,250
	Provision for doubtful debts	- note 26.1	2,842,593	2,071,209
			30,763,183	**70,957,239**

36.1 Charity and donation

This represents donations to various individuals and none of the directors are interested in the done.

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	30,900,471	19,561,307
Provisional finance expense- See note no. 14.8	35,540,460	-
Mark up on long term loan -CF/FATR	-	9,293,370
Provision for mark up on restructured loan (BOP)	-	16,224,304
- Lease liabilities	6,266,346	6,074,580
	72,707,277	**51,153,561**
Bank charges and commission	2,759,621	2,139,513
	75,466,898	**53,293,074**

38 TAXATION

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
Current	- note 29.1	103,555,670	151,479,367
Prior periods	- note 29.1	-	(86,328,542)
Deferred	- note 13	(154,516,196)	(76,982,639)
		(50,960,526)	**(11,831,814)**

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 Numerical reconciliation between average and applicable tax rate

Applicable tax rate	**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	(94,456,476)	234,051,010
Weighted average number of outstanding ordinary shares	144,343,364	144,343,364
(Loss) / Earnings per share - basic	**(0.65)**	**1.62**

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 2023 and 2022.

		30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
40 CASH (USED IN) / GENERATED FROM OPERATIONS			
(Loss) / Profit before tax		**(145,417,002)**	**222,219,196**
Adjustments for non-cash expenses and other items:			
Depreciation on property and equipment	- note 21.5	133,447,120	136,152,439
Depreciation on right-to-use assets	- note 22	6,333,645	7,037,383
Provision for staff retirement benefits	- note 14.2.1	29,594,039	23,827,710
Gain on disposal of property and equipment	- note 21.3	(54,330)	(41,540)
Finance cost	- note 37	39,926,438	53,293,074
Provisional Finance cost		35,540,460	
Notional Income on remeasurement of markup		(7,026,837)	-
Provision for workers' profit participation	- note 15.3	-	14,259,248
Provision for workers' welfare		-	5,884,250
Provision for doubtful debts	- note 26.1	2,842,593	2,071,209
		240,603,128	**242,483,773**
Operating profit before working capital changes		**95,186,126**	**464,702,969**
Working capital changes			
(Increase) / Decrease in current assets:			
Stores, spare parts and loose tools		(177,959,683)	5,224,288
Stocks-in-trade		1,896,565,980	(935,843,497)
Trade debts		(565,760,997)	(504,694,526)
Loans and advances		176,217,136	109,127,646
Trade deposits and prepayments		93,825	(1,554,053)
Tax refunds due from government		146,611,731	(6,125,662)
(Decrease) / Increase in trade and other payables		(1,943,897,605)	2,021,563,802
		(468,129,613)	**687,697,998**
Cash (used in) / generated from operations		**(372,943,487)**	**1,152,400,967**

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 over-sight 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:

	30 / Jun / 2023	30 / Jun / 2022
At amortized cost	**Rupees**	**Rupees**
Trade debts - unsecured	2,632,056,483	2,069,138,079
Bank balances	20,601,782	811,167,133
Trade deposits	135,813,090	135,844,713
	2,788,471,355	**3,016,149,925**

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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 2023			**30/Jun/23**	**30/Jun/22**
	Short-term	Long-term	Agency	**RUPEES**	**RUPEES**
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,098,222	81,122,873
MCB Bank Limited	A-1+	AAA	PACRA	2,681,071	196,835,648
United Bank Limited	A-1+	AAA	JCR-VIS	224,366	59,374,331
Bank Alfalah Limited	A-1+	AA+	PACRA	(246,257)	(246,257)
Faysal Bank Limited	A-1+	AA	PACRA	(1,667,977)	12,967,249
The Bank of Punjab	A-1+	AA+	PACRA	10,000,937	10,000,937
JS Bank Limited	A-1+	AA-	PACRA	21,501	12,493,955
Soneri Bank Limited	A-1+	AA-	PACRA	2,224,059	(268,500)
Bank Islami Limited	A-1	A+	PACRA	487,030	487,030
Askari Bank Limited	A-1+	AA+	PACRA	882,563	275,620,864
National Bank of Pakistan	A-1+	AAA	PACRA	41,780	41,780
Samba Bank Limited	A-1	AA	JCR-VIS	37,691	37,691
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	389,482	60,486,667
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,152	36,536,745
Apna Microfinance Bank Limited	A-4	BBB-	PACRA	38,616	38,616
Allied Bank Limited	A-1+	AAA	PACRA	2,879,301	65,130,259
Summit Bank Limited	A-3	BBB-	JCR-VIS	1,397	1,397
Silk Bank Limited	A-2	A-	JCR-VIS	505,848	505,848
				20,601,782	**811,167,133**

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 there-by mitigating any significant concentrations of credit risk.

	30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
Trade debts - unsecured	2,632,056,483	2,069,138,079
Banks	20,601,782	811,167,133
Trade deposits	135,813,090	135,844,713
	2,788,471,355	**3,016,149,925**

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 individuallyfor 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 requiringapproval 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, 2023	921,219,769	1,316,028,242	342,167,343	55,483,722	2,634,899,076
Loss allowance					(2,842,593)
	921,219,769	1,316,028,242	342,167,343	55,483,722	**2,632,056,483**

	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)
	724,198,328	1,034,569,040	268,987,950	41,382,761	**2,069,138,079**

As at the reporting date, Company envisages that default risk on account of non-realizationof other receivables and advances is minimal and thus based on historicaltrends adjusted to reflect current and forward lookinginformation, loss allowancehas 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:

	30 / Jun / 2023 Rupees	30 / Jun / 2022 Rupees
Gross carrying amount		
Trade deposits	**135,813,090**	**135,844,713**
Loss allowance	-	-
	135,813,090	**135,844,713**

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 20.

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 / 2023				
Financial liabilities	**Carrying amount**	**Contractual cash flows**	**Not Later than 1 Year**	**Later than 1 Year**
		---------- Rupees ----------		
Long-term finances	312,831,000	312,831,000	28,000,000	284,831,041
Lease obligations	23,173,572	25,980,391	19,971,480	6,008,911
Short-term borrowings	1,028,133,005	1,028,133,005	1,028,133,005	-
Un-claimed dividends	470,280	470,280	470,280	-
Trade payables	1,068,480,018	1,068,480,018	1,068,480,018	-
Accrued mark-up	80,695,148	80,695,148	80,695,148	-
	2,513,783,023	**2,516,589,842**	**2,225,749,931**	**290,839,952**

30 / June / 2022				
Financial liabilities	**Carrying amount**	**Contractual cash flows**	**Not Later than 1 Year**	**Later than 1 Year**
		---------- Rupees ----------		
Long-term finances	339,846,577	339,846,577	27,680,000	284,831,041
Lease obligations	36,589,947	44,935,830	19,971,480	24,964,350
Short-term borrowings	1,076,374,361	1,076,374,361	1,076,374,361	-
Un-claimed dividends	3,690,200	3,690,200	3,690,200	-
Trade payables	3,026,636,871	3,026,636,871	3,026,636,871	-
Accrued mark-up	70,859,259	70,859,259	70,859,259	-
	4,553,997,215	**4,562,343,098**	**4,225,212,171**	**309,795,391**

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:

	30 / Jun / 2023	30 / Jun / 2022
Outstanding letters and credit (in US $)	**-**	**907,870**

Commitments outstanding at year end amounted to US $ Nil (2022: US $ 2,052,630) relating to letter of credits for imports. The significant exchange rates applied during the year:

	Average rate		Reporting date mid spot rate	
	30 / Jun / 2023	30 / Jun / 2022	**30 / Jun / 2023**	30 / Jun / 2022
	----------- Rupees -----------		------------- Rupees -------------	
USD 1	-	186.8	-	204.85

- **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	-	1,127,925

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 2023: 13,609,756 (2022: 9,827,478). 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 / 2023		30 / Jun / 2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
		------------------------- Rupees	**-------------------------**	
Long Term finances	-	312,831,000	-	339,846,577
Saving Accounts	3,161,942	-	470,063,978	-
Lease liabilities	-	23,173,572		36,589,947
Short-term borrowings	-	1,028,133,005	-	1,076,374,361
	3,161,942	**1,364,137,577**	**470,063,978**	**1,452,810,885**

- **Cash flow sensitivity analysis for variable rate instruments:**

  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.

- **Variable rate financial instruments:**	**Variation in basis points (% age)**	**Effect on profit after tax** **30 / June / 2023** **Rupees**	30 / June / 2022 Rupees
Cash with banks		22,450	3,337,454
Lease liabilities	**100 bps or 1.00%**	(164,532)	(259,789)
Borrowings		(9,520,844)	(10,055,169)
		(9,662,926)	(6,977,504)

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			
	---------------------------------- As at 30 June 2023 ----------------------------------							
	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	-	2,632,056,483	-	2,632,056,483	-	2,632,056,483	-	2,632,056,483
Loans and advances	-	139,164,387	-	139,164,387	-	139,164,387	-	139,164,387
Trade deposits	-	142,585,602	-	142,585,602	-	142,585,602	-	142,585,602
Bank balances	-	20,868,768	-	20,868,768	-	20,868,768	-	20,868,768
	-	2,934,675,240	-	2,934,675,240	-	2,934,675,240	-	2,934,675,240
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances	-	-	312,831,000	312,831,000	-	-	-	-
Directors Loan	-	-	316,329,215	316,329,215	-	-	-	-
Lease liabilities	-	-	23,173,572	23,173,572	-	-	-	-
Trade payables	-	-	1,068,480,018	1,068,480,018	-	-	-	-
Unclaimed dividends	-	-	470,280	470,280	-	-	-	-
Accrued mark-up	-	-	80,695,148	80,695,148	-	-	-	-
Short term borrowings	-	-	1,028,133,005	1,028,133,005	-	-	-	-
	-	-	2,830,112,238	2,830,112,238	-	-	-	-
On Statement of financial position date Gap	-	-	-	-	-	-	-	104,563,002
Interest bearing financial Liabilities	-	-	-	-	-	-	-	1,364,137,577
Non-Interest bearing financial Liabilities	-	-	-	-	-	-	-	1,465,974,661

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 2022 ----------							
	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	-	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	-	-	339,846,577	339,846,577	-	-	-	-
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	-	-	-	-
	-	-	4,890,738,865	4,890,738,865	-	-	-	-

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 2023	30 Jun 2022
	--- Rupees in '000 ---	
Total debt	1,444,832,725	1,523,671,055
Less: Cash and bank balance	(20,868,768)	(816,768,215)
Net debt	**1,423,963,957**	**706,902,840**
Total equity and debt (including surplus on revaluation of operating assets)	4,573,054,570	4,673,846,029
Debt-to-equity ratio	**31%**	**15%**

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				
	2023				
	Long Term Loan	**Unclaimed dividends**	**Lease obligations**	**Short-term borrowings**	**Accrued mark-up**
Balance as at June 30, 2022	**339,846,577**	**3,690,200**	**36,589,947**	**1,076,374,361**	**70,859,259**
Finances repaid	(27,680,000)	-	-	(48,241,356)	-
Mark-up accrued	-	-	-	-	39,926,438
Mark-up repaid	-	-	-	-	(30,090,549)
Effect of remeasurement	-	-	-	-	-
Lease rentals paid	-	-	(13,416,375)	-	-
Dividend paid		(3,219,920)			
Balance as at June 30, 2023	**312,166,577**	**470,280**	**23,173,572**	**1,028,133,005**	**80,695,148**

	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)
Effect of reclassification	-	-	-	-	(20,412,435)
Lease rentals paid	-	-	(12,028,406)	-	-
Dividend paid	-	(39,879)	-	-	-
Balance as at June 30, 2022	**339,846,577**	**3,690,200**	**36,589,947**	**1,076,374,361**	**70,859,259**

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 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	---------- Rupees ----------					
Remuneration	6,698,513	6,021,135	4,046,292	3,637,116	8,837,129	7,872,721
Other allowances	2,699,400	2,426,427	1,630,596	1,465,704	3,561,231	3,172,589
Retirement benefits	599,868	539,207	362,353	325,711	791,385	705,020
	9,997,781	8,986,769	6,039,241	5,428,531	13,189,745	11,750,330
Number of persons	1	1	1	1	7	7

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.

45 NUMBER OF EMPLOYEES

	At end of the year		Average during the year	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	---------- Number of Employees ----------			
Company employees	474	454	512	460
Manpower at factory	427	413	465	420

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 30 Jun 2023	Transaction Value 30 Jun 2022	Outstanding Balance 30 Jun 2023	Outstanding Balance 30 Jun 2022
				---------- Rupees ----------			
Chief Executive	CEO	Shareholder	Remuneration	9,997,781	8,986,769	-	-
Directors							
Key management	Directors	Shareholders	Directors loan	-	-	316,329,215	316,329,215
personnel	Directors	Shareholders	Remuneration	6,039,241	5,428,531	-	-
Executives							
Key management	Executives	Related parties	Remuneration	13,189,745	11,750,330	-	-

47 PLANT CAPACITY AND PRODUCTION

	30 Jun 2023	30 Jun 2022
	--- Metric Tons ---	
Total active capacity for production		
Plant capacity		
Rolling Mill	140,000	140,000
Melting	130,000	130,000
Actual utilization capacity for production		
Rolling Mill	34,299	70,735
Melting	40,265	75,545

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 2023 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 decrease by 26% approximately. As a result of which sales have decrease by Rs. 2,940 million.
- The recovery of trade debts remained significantly affected and the receivables increased by 27% as compared to last year. However, subsequently the company has recovered significant amount 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 against the Company and counter suits filed by the Company against these financial institutions (also refer note 20 to the financial statements).
- State Bank of Pakistan imposed restrictions on imports that effected business dramatically.

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. The company in the current year re-classified accrued markup from current liabilities to deferred liabilities because the markup is payable only on breach of restructuring arrangements with The Bank Of Punjab, and furthermore the same is payable in the year 2032.

From	To	Reason	Amount
Mark-up accrued on borrowings	Deferred liabilities	Due to nature of liability	20,412,435

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 22 September 2023.

CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

23. گریجوایٹی فنڈ میں سرمایہ کاری

کمپنی گریجوایٹی فنڈ اصولوں کے مطابق اپنے مستقل ملازمین کے لئے نان-فنڈ گریجوایٹی سکیم چلاتی ہے۔

24. متعلقہ فریقین سے لین دین

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء اور کمپنیز ایکٹ 2017ء کے قواعد کی روشنی میں کمپنی کاروباری امور میں اعلیٰ اخلاقی معیار کو برقرار رکھنے کے لئے کوشاں ہے۔ متعلقہ فریقین سے لین دین کی کمپنی پالیسی کو بورڈ آف ڈائریکٹرز سے باقاعدہ منظور کیا ہے۔

25. بیرونی آڈیٹرز

میسرز سروسز چارٹرڈ اکاؤنٹس نے 30 جون 2023ء کو اختتام پذیر سال کے لئے سالانہ آڈٹ مکمل کرلیا ہے جو سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ کارپوریٹ گورننس پر بہتر عمل داری کو مدنظر رکھتے ہوئے بورڈ نے دیگر QCR ریٹڈ چارٹرڈ اکاؤنٹنٹس فرم اور میسرز سرورز چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹر تقرری کی بھی سفارش کی ہے۔ 30 جون 2024ء کو اختتام پذیر سال کے لئے بطور بیرونی آڈیٹران کی تقرری کی خاطر شیئر ہولڈرز کی منظوری حاصل کی جائے گی۔

26. ماحولیاتی وسماجی پالیسی

IIIL کاروباری عمل میں ہر ممکن حد تک بہترین اخلاقی معیار کی پیروی کرتی ہے۔ اسی طرح سے، بورڈ آف ڈائریکٹرز سے باقاعدہ منظور شدہ کمپنی کی ماحولیاتی وسماجی پالیسی کمپنی کی ویب سائٹ پر بھی شائع کردی گئی ہے۔ حالیہ برس کے دوران کمپنی کے فضائی آلودگی کو کنٹرول کرنے کے لئے سکر برنصب کئے ہیں۔

27. وہسل بلوئنگ پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے تحت، IIIL سالمیت، اخلاقی اقدار اور جواب دہی کے اعلیٰ معیار کو حاصل کرنے کے لئے پرعزم ہے۔ اسی طرح سے، بورڈ آف ڈائریکٹرز نے کمپنی کی وہسل بلوئنگ پالیسی منظوری کی ہے جسے کمپنی کی ویب سائٹ پر شائع کردیا گیا ہے جو افسران اور ملازمین کو اپنے تحفظات سے آگاہ کرنے کے قابل بناتی ہے جس کو ضروری اصلاحی اقدامات کے ذریعے درست کیا جاتا ہے۔

28. اظہار

ہمارے بہترین عمل کے مطابق، ڈائریکٹرز (رپورٹ کے پیٹرن آف شیئر ہولڈنگ میں درج ڈائریکٹرز کے علاوہ) چیف ایگزیکٹو/مینجنگ ڈائریکٹر، CFO، کمپنی سیکریٹری، کمپنی آڈیٹرز، ان کے جیون ساتھی اور ان کے کم سن بچے مالیاتی سال 23-2022 کے دران کمپنی کے شیئرز کی ٹریڈنگ میں شامل نہیں ہوئے۔

ڈائریکٹر / CEO

19. ضابطہَ اخلاق

لسٹڈکمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی پیروی میں IIIL کاروبار کرنے میں بہترین اخلاقی معیارات پر عمل کرتا ہے۔اسی طرح سے بورڈ آف ڈائریکٹرز نے کمپنی کے ضابطہَ اخلاق کی منظوری دی ہے جسے کمپنی کی ویب سائٹ پر شائع کردیا گیا ہے۔

20. لسٹڈکمپنیز (کوڈآف کارپوریٹ گورننس) ضوابط، 2019ء

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے لسٹڈکمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کو جاری کیا ہے جو سابقہ ضوابط کی ترمیمی شکل ہے۔ بورڈ آف ڈائریکٹرز ترمیمی ضابطہ سے بخوبی آگاہ ہے جو 25 ستمبر 2019ء سے لاگو کیا گیا ہے اوراس کی تعمیل کی یقینی بنانے کے لئے تمام ضروری اقدامات کئے گئے ہیں۔ضابطے کی تعمیل کے طور پر ہم مندرجہ ذیل کی توثیق کرتے ہیں:

a. انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔

b. مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور جائز فیصلوں کی بنیاد پر لگائے گئے ہیں۔

c. پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ معیارات کا مالیاتی اسٹیٹمنٹس کی تیار میں بھرپور اطلاق کیا گیا ہے اور اس میں موجود کسی بھی سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔

d. یہاں داخلی نظم وضبط کا مربوط نظام موجود ہے جس کی مؤثر نگرانی و اطلاق کیا جاتا ہے۔

e. کاروبار جاری رکھنے کی کمپنی کی صلاحیت میں کوئی شق موجود نہیں۔

21. کمپنی کے کنٹرول اور رپورٹنگ سسٹم کی نمایاں خصوصیات

کمپنی کمپنیز ایکٹ 2017ء اور لسٹڈکمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے معیارات کی تعمیل کرتی ہے۔اس اس پرعمل درآمد کے لئے بورڈ کمپنی میں مجموعی کارپوریٹ گورننس ہدایات کے اطلاق کی ذمہ دار ہے۔جس میں انتظامیہ کی تجاویز پر منظور شدہ اسٹریٹجک ہدایت، سرمایے کے اصراف کی منظوری ونگرانی، سینئر انتظامیہ کی بھرتی، برخواستگی اور برقرار رکھنے کی پالیسی، انتظامیہ کے اہداف کے حصول کی نگرانی اور انٹرنل کنٹرول اور مینجمنٹ انفارمیشن سسٹم کی سالمیت کو یقینی بنانا شامل ہے۔ بورڈ مالیاتی و دیگر رپورٹنگ کی منظوری کے لئے بھی ذمہ دار ہے۔

22. کمپنی افسران کے ساتھ تعلقات

انتظامیہ اور مزدوروں کے درمیان دوستانہ تعلقات ہیں جو باہمی احترام اور بھروسے پر مبنی ہیں۔محفوظ اور قابل عمل ماحول فراہم کرنے کی خاطر عملے کی فلاح کے لئے خاطر خواہ سرمایہ کاری کی جاتی ہے۔

14. بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز کی زیر سرپرستی کام کے لئے مندرجہ ذیل کمیٹی قائم کی گئی ہے:

a. آڈٹ کمیٹی

نام	عہدہ
مسٹر محمد مبشر اقبال	چیئرمین (آزاد ڈائریکٹر)
مسٹر عمران خان	کمیٹی سیکریٹری
مسٹر خرم جمیل	رکن (آزاد ڈائریکٹر)
مسٹر طیب علی	رکن (نان-ایگزیکٹو ڈائریکٹر)
مس ثوبیہ ارشاد	رکن (نان-ایگزیکٹو ڈائریکٹر)

سال بھر میں آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔

15. بورڈ آف ڈائریکٹرز کا مشاہیرہ

منظور شدہ پالیسی کے تحت بورڈ اجلاس میں شرکت کرنے والے ڈائریکٹرز کو کوئی فیس ادا نہیں کی گئی۔ تفصیلات مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں دی گئی ہیں۔

16. CFO کی قابلیت اور انٹرنل آڈٹ کا سربراہ

چیف فائننشیل آفیسر اور انٹرنل آڈٹ کا سربراہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء ضروری قابلیت اور تجربے کا حامل ہوتا ہے

17. بورڈ اراکین کی تربیت

کمپنی اپنے بورڈ اراکین کی پیشہ ورانہ ترقی میں بھرپور دلچسپی رکھتی ہے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے تحت ان کے لئے ضروری تربیت کا اہتمام کرتی ہے۔ لسٹڈ کمپنیز کے بورڈ کے لئے درکار تعلیمی قابلیت اور تجربہ کے حامل پانچ اراکین بورڈ میں شامل ہیں لہٰذا وہ ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں۔ اور ضوابط میں درج مقررہ وقت میں منظوری حاصل کی جائے گی۔ تین ڈائریکٹرز حسب ضرورت ٹریننگ پروگرام مکمل کر چکے ہیں۔

18. بورڈ کی جانب سے ویژن، مشن اور کاروباری حکمت عملی کی منظوری

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی پیروی میں بورڈ آف ڈائریکٹرز کمپنی کے ویژن، مشن اور کاروباری حکمت عملی کا بغور جائزہ لیا ہے۔ یہ IIIL کے نظریہ کی جامع عکاسی کرتا ہے۔ ہم یقینی بناتے ہیں کہ ہمارا ویژن اور مشن ہماری مجموعی کاروباری حکمت عملی کی سمت کا تعین کرتا ہے۔ مکمل ادارہ طے شدہ مقاصد کے ذریعے جڑا ہوا ہے جو ہمارے روزمرہ کے امور کی بابت فیصلہ سازی کا معیار قائم کرتا ہے۔

(a) شیئر ہولڈنگ پیٹرن

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضابطہ 2019ء اور کمپنیز ایکٹ 2017ء کے تحت 30 جون 2023ء تک کمپنی کی شیئر ہولڈنگ کا پیٹرن رپوٹ ہذا کے ساتھ منسلک ہے۔

(b) شیئر ہولڈرز کی معلومات

آپریشنز، نمو اور کمپنی کے امور کی صورتحال سے متعلق شیئر ہولڈرز کو آگاہ کرنے کے لئے انتظامیہ تمام ضروری معلومات بشمول عبوری و حتمی نتائج پاکستان اسٹاک ایکسچینج کو فوری طرح پر جمع کراتی ہے۔ سہ ماہی، نصف سالہ اور سالانہ مالیاتی اسٹیٹمنٹس کو تمام متعلقہ اداروں کو مقررہ وقت میں باضابطہ پھیلایا جاتا ہے۔ اسی طرح سے، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء اور کمپنیز ایکٹ میں بیان کردہ وقت میں نوٹس اور منافع منقسمہ کے اعلانات سے متعلق تمام اسٹیک ہولڈرز اور ریگولیٹرز کو آگاہ کیا جاتا ہے۔ جنہیں کمپنی کی ویب سائٹ پر فوری طور پر شائع کیا جاتا ہے۔

9. ہیومن ریسورس کمیٹی

کمیٹی تین اراکین بشمول چیئر مین پر مشتمل ہے۔ دو اراکین نان ایگزیکٹو ڈائریکٹرز جب کہ چیئر مین خودمختار ڈائریکٹر ہے۔ سال بھر میں، کمیٹی کے دو اجلاس منعقد ہوئے۔

10. چیئر مین کے فرائض

بورڈ آف ڈائریکٹرز کی سرپرستی کرتا ہے اور گروپ کی نمائندگی کرتا ہے اور بورڈ اور اسٹیک ہولڈرز کی جانب سے گروپ کا نگران ہوتا ہے۔ بورڈ کو مکمل فعال رکھنے کا ذمہ دار ہوتا۔ وہ مجموعی طور پر بورڈ کو با اختیار بناتا ہے تاکہ کمپنی کی حکمت عملی اور مجموعی مقاصد کے تعین اور ترقی میں تعمیر کردار ادا کرسکے۔

11. بورڈ کی ترکیب

بورڈ دو آزاد، دو ایگزیکٹو (بشمول چیئر مین اور CEO/MD) اور تین نان ایگزیکٹو ڈائریکٹرز (بشمول دو خواتین ڈائریکٹرز) پر مشتمل ہے۔ اراکین کو متنوع علم، تجربہ اور مہارت ہمارے بورڈ کی مؤثر کارکردگی میں اہم کردار ادا کرتا ہے۔ بورڈ ہر قسم کے شیئر ہولڈرز کے مفادات کے تحفظ کی ضمانت دیتا ہے۔

12. بورڈ کی کارکردگی کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی پیروی میں بورڈ آف ڈائریکٹرز نے بورڈ کی کارکردگی کا تعین کرنے کے لئے ایک جامع طریقہ کار وضع و منظور کیا ہے۔ ہیومن ریسورس کمیٹی بورڈ اور اس کی کمیٹیوں کی کارکردگی کے جائزہ کے لئے رسمی طریقہ عمل اپنائے گا۔

13. بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کی مالیاتی اسٹیٹمنٹس کو اپنانے، نظر ثانی کرنے اور منظور کرنے کے لئے ہر سہ ماہی میں بورڈ اجلاس منعقد کیا جاتا ہے۔ جس میں کاروباری منصوبے کو اپنانا اور اس پر نظر ثانی کرنا بھی شامل ہے۔ مذکورہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔

3. عمومی

اتفاق آئرن انڈسٹریز (IIIL) کے ڈائریکٹرز 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سالانہ رپورٹ بمعہ آڈیٹرز کی رپورٹ ازارہِ مسرت پیش کرتے ہیں۔

4. مالیاتی اسٹیٹمنٹس پیش کرنا

انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بالکل درست اور منصفانہ عکاسی کرتی ہیں۔

5. اکاؤنٹنگ پالیسیاں

مالیاتی اسٹیٹمنٹس کی تیاری میں معقول اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور جائز فیصلوں کی بنیاد پر لگائے جاتے ہیں۔

6. کھاتوں کی کتابیں

کھاتوں کی مناسب کتابیں کمپنیز ایکٹ 2017ء کے متعلقہ قواعد کے عین مطابق تیار کی گئی ہیں۔ مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے اپنائے گئے بین الاقوامی اکاؤنٹنگ معیارات (IAS) اور بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS) کی تعمیل کے کو یقینی بنایا گیا ہے۔

7. داخلی نظم وضبط

یہ یقینی بنانے کے لئے انٹرنل کنٹرول سسٹم وضع کیا گیا ہے کہ کمپنی پالیسیوں، منصوبوں اور قوانین کی تعمیل، وسائل کا مناسب استعمال، مالیاتی وانتظامی معلومات کی دستیابی اور سلامتی کے علاوہ اہداف کی تکمیل کرے۔ IIIL کا انٹرنل کنٹرول سسٹم جامع ہے جس کا مؤثر انداز میں اطلاق کیا گیا ہے اور باقاعدگی سے اس کی نگرانی کی جاتی ہے۔ کمپنی کاروباری یونٹ کے کنٹرول طریقہ ہائے پر بھرپور توجہ دیتی ہے تاکہ کارپوریٹ پالیسیوں پر عمل درآمد کیا جاسکے اور حسب ضرورت ان پالیسیوں میں تصحیح و ترمیم کی جاسکے۔

8. کارپوریٹ گورننس کی بہترین عمل داری

IIIL بطور ماڈل کارپوریٹ ادارہ، بہترین کاروباری واخلاقی عمل داری کی پیروی کے ذریعے کامل نتائج حاصل کرتی ہے۔ کمپنیز آرڈیننس 2017ء میں درج کارپوریٹ گورننس کی بہترین عملداری کا من وعن اطلاق اور نفاذ کیا گیا ہے۔ کمپنی کی تمام مرحلہ وار مالیاتی اسٹیٹمنٹس ڈائریکٹرز کو دی گئیں جنہیں چیف ایگزیکٹو آفیسر اور چیف فائنشیل آفیسر نے اشاعت سے قبل منظوری کے لئے باقاعدہ تسلیم کیا۔ نصف سالہ جائزہ اور سہ ماہی غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ ڈائریکٹرز کی جائزہ رپورٹ شائع کی گئیں اور شیئر ہولڈرز اور ریگولیٹرز کو بھیجی گئیں۔

مذکورہ بالا انتہائی مشکل مناظر کے باعث، ہماری سیلز کا حجم گذشتہ برس کے مقابلے میں تقریباً 26% کمی کے ساتھ 2.94 بلین روپے ہوگیا۔ مزید یہ کہ مذکورہ سال کے دوران کاروبار کرنے کی لاگت میں نمایاں اضافے کے نتیجے میں کمپنی کو خسارے کا سامنا کرنا پڑا، البتہ فرسودگی کے اثرات کے بغیر کمپنی کے مالیاتی نتائج حسب ذیل ہیں:

کل منافع (سیلز کی لاگت پر عائد فرسودگی اخراجات کے ساتھ)	142,389,900
جمع: فرسودگی	133,108,409
کل منافع (علاوہ فرسودگی اخراجات)	**275,498,309**
(خسارہ) بمعہ ٹیکسیشن (بمعہ فرسودگی اخراجات)	(145,417,002)
جمع: فرسودگی	139,780,765
(خسارہ) بمعہ ٹیکسیشن (علاوہ فرسودگی اخراجات)	**(5,636,237)**
ٹیکسیشن (بمعہ تاخیری ٹیکسیشن)	50,960,526
خالص منافع علاوہ ٹیکسیشن	**45,324,289**

کمپنی سیاسی و معاشی عدم استحکام کے اس دور میں اپنے قدم جمانے کے لئے ہر ممکن کوشش کر رہی ہے۔ اس عدم استحکام کے باعث کاروبار کرنے کی لاگت میں تیزی سے اضافہ ہو رہا ہے جو شرح مبادلہ میں اتار چڑھاؤ اور ایندھن/توانائی کی قیمتوں میں اضافے سے منسوب کیا جاتا ہے۔

امید کی جاتی ہے کہ ملک میں کلی اقتصادی اشاریوں میں مجموعی بہتری کے ساتھ بتدریج بہتری آئے گی۔

1. منافع منقسمہ

بورڈ نے 30 جون 2023ء کو اختتام پذیر سال کے لئے نقد منافع منقسمہ یا بونس حصص کا اعلان نہیں کیا ہے۔

2. چیف ایگزیکٹو آفیسر (CEO)/ مینجنگ ڈائریکٹر (MD) کے فرائض

CEO/MD کمپنی کی طویل مدتی حکمت عملی پر عمل درآمد کرنے کے ذمہ دار ہیں تاکہ حصص داران کو زیادہ سے زیادہ منافع دیا جا سکے۔ کمپنی کے قلیل وطویل مدتی مقاصد/منصوبوں کو مکمل کرنے کے لئے CEO/MD معمول کے فیصلے کرنے کے ذمہ دار ہیں۔ وہ بورڈ اور کمپنی انتظامیہ کے درمیان براہ راست رابطہ کا واحد ذریعہ ہے۔ وہ کمپنی کی جانب سے شیئر ہولڈرز، ملازمین، سرکاری افسران، دیگر اسٹیک ہولڈرز اور عوام کے ساتھ رابطہ سازی بھی کرتا ہے۔ CEO/MD بطور ڈائریکٹر، فیصلہ ساز اور لیڈر بھی کام کرتا ہے۔ بطور رابطہ ساز کردار بیرونی دنیا سے رابطہ اور ادارے اور ملازمین کی مینجمنٹ بھی شامل ہے۔ بطور رابطہ ساز پالیسی اور حکمت عملی سے متعلق اعلیٰ سطحی فیصلے کرنا بھی شامل ہے۔ کمپنی کے لیڈر کی حیثیت سے وہ ملازمین کی حوصلہ افزائی کرتا ہے اور ان میں کام کرنا کا جذبہ بیدار رکھتا ہے۔

ڈائریکٹرز کی رپورٹ:

مالیاتی نتائج:

مذکورہ برس کے لئے اہم مالیاتی نتائج حسب ذیل ہیں:

	سال مختتمہ 30 جون، 2023ء	سال مختتمہ 30 جون، 2023ء
	ملین روپوں میں	
(نقصان)/نفع بمعہ ٹیکس	(145)	222
ٹیکیشن	50.96	(1.5)
دیگر جامع آمدنی	1,588	1,331
غیر تخصیص شدہ منافع	(100.79)	232
ابتدائی قائم آمدنی	1,586	1,331
تخصیص کے بعد دستیاب کل بیلنس	1,506	1,586
تخصیصات:*		
عمومی ذخائر میں منتقلی	1,506	1,586
فی حصص آمدنی - بنیادی و تحلیلی (روپے)	(0.65)	1.62

مجوزہ منافع منقسمہ 0%(2022: 0%)

کمپنی کے ڈائریکٹرز یہاں 30 جون 2023ء کو اختتام پذیر سال کے دوران ہماری کارکردگی سے متعلق سالانہ رپورٹ کا جامع خلاصہ پیش کرتے ہیں۔

سیاسی و معاشی عدم استحکام، پاکستانی روپے کی ڈالر کے مقابلے میں نمایاں بے قدری، حکومت کی جانب سے ایندھن/توانائی کی قیمتوں میں ہوشربا اضافہ اور ٹیکسوں میں نمایاں اضافہ جیسے متعدد عوامل کے باعث رواں برس انتہائی مشکل ترین ثابت ہوا۔ ان عوامل کے باعث ہمارے خام مال کی قیمت میں تیز رفتار اضافہ ہوا۔

مذکورہ سال کے دوران غیر ضروری آئیٹمز میں شمولیت کے باعث سکریپ کی درآمد پر پابندی میں توسیع کی وجہ سے ہمارے پیداواری سائیکل کی مشکلات میں اضافہ ہوا جس کے نتیجے میں اسٹیل کے شعبے کی مارکیٹ میں قیمتوں کے اتار چڑھاؤ کا رجحان جاری رہا۔ صوبہ سندھ میں تباہ کن سیلاب نے کراچی بندرگاہ سے ہماری مل کی ٹرانسپورٹیشن میں تاخیر پیدا کی جس کے باعث ہمارے پیداواری سائیکل کو غیر معمولی رکاوٹ کا سامنا کرنا پڑا۔

اسٹیل سیکٹر کو درپیش منفی اثرات کی ایک اور بڑی وجہ وفاقی وصوبائی حکومتوں کی جانب سے پبلک سیکٹر ڈیویلپمنٹ پروگرام (PSDP) کے تحت نئے منصوبوں میں عدم دلچسپی بھی ہے۔ مزید برآں، مذکورہ سال کے دوران پاک چین اقتصادی راہداری (CPEC) میں پیش رفت بھی گذشتہ برس کی نسبت سست رہی جس کے باعث اسٹیل سیکٹر کو مضر اثرات کا سامنا کرنا پڑا۔

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 18th Annual General Meeting of the Company to be held on October 26, 2023 and at any adjournment thereof.

Signed under my / our hand(s) this ______ day of ________ 2023.

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 atleast 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 meember(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۔Option-1

کسی دوسرے شخص کوبطور نمائندہ (پراکسی) مقرر کرنے کے لیے

میں/ہم ____________ ساکن ____________ بطور ممبر(ز)
اتفاق آئرن انڈسٹریز لمیٹڈ حامل ____________ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ____________ محترم
____________ فولیو/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہو) ساکن ____________ یا ان کے حاضر نہ
ہونے کی صورت میں محترم ____________ فولیو/سی ڈی سی اکاؤنٹ نمبر ____________ (اگر ممبر ہو)
ساکن ____________ کو اپنے/ہمارے ایماء پر کمپنی کے 26 اکتوبر 2023ء کو ہونے والے 18ویں 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۔Option-2

کمپنیز (ای ووٹنگ) قوانین 2016ء کے مطابق 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 ____________ انٹرمیڈری 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/ہم کمپنیز (ای ووٹنگ) قوانین، 2016، کے مطابق ای ووٹنگ کا استقبال کروں گا/ کریں گے اور اسکے ذریعے قراردادوں کے انتخاب کا مطالبہ کرتا ہوں/ کرتے ہیں۔

____________ ____________

نمائندے (پراکسی) کے دستخط

پانچ روپے کے رسیدی ٹکٹ پر ممبر کے دستخط

گواہان۔

1)		2)	
دستخط	____________	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 تحریری 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 افسر یا ان کے مقرر کردہ وکیل کی طرف ہونی چاہیے۔

اختیار۔1 (option) کے تحت ہر لحاظ سے مکمل اور دستخط شدہ (پراکسی) کی تقرری کی دستیاویز 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 کرادی جائے یا ای میل کے ذریعے info@ittefaqsteel.com پر بھیجی جائے۔

اگر کمپنی کو کم از کم پانچ اراکین یا کسی ایک رکن یا اراکین 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 بمقام ____________ 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

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