

DOST STEELS LIMITED

ANNUAL REPORT

2023

Our Vision

- To recognize globally as a leading supplier of steel large bar of the highest quality standards, with market leading standards of customer service.
- Business development by adoption of emerging technologies, growth in professional competence, support to innovation. Enrichment of human resources and performance recognition.

Our Mission

- To manufacture and supply high quality steel large bar to the construction sector whilst adopting safe and environmentally friendly practices.
- To remain the preferred and consistent supply source for various steel products in the country.
- Offer products that are not only viable in terms of desirability and price but most importantly give true and lasting value to our customers.
- To fulfill special obligation and compliance of good governance.
- Ensure that the business policies and targets are in conformity with national goals.
- Deliver strong returns on investments of our stakeholders by use of specialized and high quality corporate capabilities with the combined use of modern bar mill practices, enterprise class software on a web based solution and targeted human resource support.

Corporate Strategies

- Ensure that the business policies and targets are in conformity with national goals.
- Establish a better and safer work environment for all employees
- Contribute in National efforts towards attaining sustainable self-efficiency in steel products,
- Customer's satisfaction by providing best value and quality products.
- Maintain modern management system conforming to international standards needed for an efficient organization.
- Ensure to foster open communications, listen, and understand other perspectives.
- Acquire newer generation technologies for effective and efficient operations.

COMPANY INFORMATION

Board of Directors

Mr. Bilal Jamal Iftakhar
 Mr. Jamal Iftakhar
 Mr. Zahid Iftakhar
 Mrs. Mona Zahid
 Mr. Saad Zahid
 Mr. Shahab Mahboob Vora
 Mr. Mian Abuzar Shad
 Mr. Muhammad Shakeel
 Nominated by NBP
 Mr. Asim Jilani
 Nominated by FBL

Director/ Chairman
 Director/CEO
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director

Shares Registrar

THK Associates (Pvt.) Limited
 Plot No. 32-C, Jami Commercial
 Street 2, D.H.A., Phase VII
 Karachi-75500
 UAN +92 (021) 111-000-322
 E-mail: secretariat@thk.com.pk

Audit Committee

Mr. Shahab Mahboob Vora
 Mr. Mian Abuzar Shad
 Mr. Mona Zahid

Chairman
 Member
 Member

Head Office/Registered Office

4th Floor, Ibrahim Trade Centre
 1-Aibak Block, Barkat Market
 New Garden Town
 Lahore-54700, Pakistan
 Ph: # 042-35941375-77
 Lahore-54700, Pakistan

Human resource & Remuneration Committee

Mr. Shahab Mahboob Vora
 Mr. Jamal Iftakhar
 Mr. Mian Abuzar Shad

Chairman
 Member
 Member

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
 Chartered Accountants

Chief Financial Officer

Mr. Shahid Ali

Legal Advisor

Mr. Ahsan Masood, Advocate
 Masood & Masood Corporate &
 Legal Consultants, 102 Upper Mall
 Scheme Lahore
 Ph: No. +92(0)42 37363718

Company Secretary

Mr. Shahid Ali

Plant Address

52 Km Lahore Multan Road
 Phool Nagar, Distt Kasur Punjab

Bankers

Faysal Bank Limited
 National Bank of Pakistan
 Askari Commercial Bank Limited
 Bank of Khybar
 Pak Kuwait Investments Co. (Pvt.)
 Limited
 Saudi Pak Industrial & Agricultural
 Investment
 Co. Limited
 United Bank Limited
 Silk Bank Limited
 Soneri Bank Limited
 Summit Bank Limited
 Bank Alfalah Islamic
 Meezan Bank

Web Presence

www.doststeels.com
 e mail: info@doststeels.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that the 20th Annual General Meeting of the Company will be held on Saturday, 28th day of October 2023 at 9:30 a.m. at the registered office, Room No. 403, 4th Floor, Ibrahim Trade Centre, I-Aibak Block Barkat Market, News Garden Town, Lahore and through video-conferencing.

Instructions with regard to participation appear in the notes below. While convening the AGM, the Company will observe the quorum provisions and will comply with all the regulatory requirements.

In accordance with Section 223(7) of the Companies Act, 2017, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:

<https://www.doststeels.com.pk/investor-relations/financial-reports/>



ORDINARY BUSINESS

1. To receive, consider, and adopt the annual audited financial statements of the Company for the year ended 30 June 2023, along with the Directors' and Auditors' Reports thereon.
2. To appoint auditors of the Company for the financial year 2023-24 and to fix their remuneration. The Board of Directors, on the recommendation of the Board Audit Committee of the Company, has proposed re-appointment of Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants as auditors, for the year ending 30 June, 2024.

SPECIAL BUSINESS

3. To consider and, if thought fit, pass, with or without modification(s), the following resolutions to enable and authorize the Company to circulate the Annual Audited Financial Statements, to the members of the Company through QR enabled code and weblink as required by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated 21 March 2023, instead of circulating the same through CD/DVD/USB.

RESOLVED THAT the Company be and is hereby authorized to circulate its Annual Audited Financial Statements, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 dated 21 March 2023, issued by SECP.

FURTHER RESOLVED THAT the Chief Executive Officer, or Company Secretary of the Company be and are hereby singly authorized 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 purpose of implementing this resolution.

ANY OTHER BUSINESS

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

By Order of the Board of Directors



Shahid Ali
Company Secretary

Lahore
October 07, 2023

1. Closure of Share Transfer Books:

The Members Register and Share Transfer Books will be closed from 21 October 2023 to 28 October 2023 (both days inclusive) for the purpose of the Annual General Meeting. Transfers received at THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2023 will be treated in time for the purpose of Annual General Meeting.

2. Participation in the AGM proceeding via video conferencing facility.

Members whose names appear in the Register of Members as of 20 October 2023, are entitled to attend and vote at the AGM. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

An instrument of proxy applicable for the AGM is being provided with the Notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.doststeels.com.pk> An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be deposited through email on shahid.ali@doststeels.com.pk or at the registered address of the Company's not less than forty-eight (48) hours before the time of AGM.

- a. To attend the AGM through video-conferencing facility, the Members are requested to register themselves by providing the following information through email at shahid.ali@doststeels.com at least forty-eight (48) hours before the AGM.

Name of Shareholders	CNIC / NTN No.	Folio No. / CDCIAS A/C No.	Cell No.	Email Address

- a. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.
- b. The login facility will remain open from 9:15 a.m. till the end of AGM.
- c. Members can also share their comments / suggestions on the agenda of AGM by email at shahid.ali@doststeels.com

3 Guidelines for Central Depository Company of Pakistan Limited ('CDC') Investor Account Holders:

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP)

- a. for attending the AGM:
- i. In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or valid passport at the time of attending the AGM.
- ii. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the AGM.

b. for appointing Proxies:

- i. In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- iv. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.
- v. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Electronic Transmission of Annual Report 2023:

The Company will provide hard copies of the Annual Report 2023, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, THK Associates (Pvt.) Limited if the Member holds share in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

5. Submission of CNIC / NTN (Mandatory):

Pursuant to the directives of the SECP, the dividends of shareholders whose valid CNIC or NTN (in case of corporate entities) are not available with the Share Registrar could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company's Share Registrar, THK Associates (Pvt.) Limited. In the absence of a member's valid CNIC, the Company will be constrained to withhold the dividend of the Members.

6. E-Voting

Members can exercise their right to vote through e-voting or postal ballot (as applicable) subject to meeting the requirements of sections 143-145 of the Companies Act, 2017, the Companies (Postal Ballot) Regulations, 2018 and other applicable laws of Pakistan.

7. Conversion of Physical Shares into the Book Entry Form:

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The shareholders of Dost Steels Limited having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, THK Associates (Pvt.) Limited.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017
RELATING TO THE SPECIAL BUSINESS**

This statement sets out the material facts concerning the special business, given in Agenda No. 3 of the Notice, intended to be transacted at the AGM.

Agenda No. 3 of the Notice

In view of the technological advancements, the SECP has allowed Listed Companies, through its SRO No. 389(I)/2023 dated March 21, 2023, to circulate the Annual Audited Financial Statements, to the Members of the Company through QR-enabled code and Weblink, which is to be included in the Notice of shareholders meeting. The Company shall circulate Annual Audited Financial Statements, through email, in case it has been provided by the members to the Company and shall also send hard copies of Annual Audited Financial Statements, to the shareholders, free of cost, upon receipt of a duly completed Request Form, as available on the Company's website www.doststeels.com.pk.

None of the Directors of the Company have any direct or indirect interest in the Special business, except in their capacity as members and directors of the company.

اطلاع سالانہ اجلاس عام



بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کا 20 سالانہ اجلاس عام، کمپنی کے رجسٹرڈ دفتر، سکرہ نمبر 403، 4th فلور، ابراہیم ٹریڈ سنٹر، آئی ایک بلاک برکت مارکیٹ، نیو گارڈن ٹاؤن، لاہور پر اور ڈیوڈ پوکا ٹریڈنگ کے ذریعے بروز ہفتہ 28 اکتوبر 2023ء کو صبح 9:30 بجے منعقد ہوگا۔ شرکت کے حوالے سے ہدایات ذیل کے نوٹس میں درج ہیں۔ AGM بلائے ہوئے، کمپنی کورم کی دفعات کا مشاہدہ اور ریگولیشنز کا مطالعہ اور ریگولیشنز کی تعمیل کرے گی کیپٹنیز ایکٹ، 2017 کے سیکشن 223 کے تحت کمپنی کے سالانہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کیے گئے ہیں، جنہیں درج ذیل لنک اور QR فعال کوڈ سے ڈاؤن لوڈ کیا جا سکتا ہے:

<https://www.doststeels.com.pk/investor-relations/financial-reports/>



عام امور:

- 1- 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ آڈٹ شدہ مالی گوشوارے معائنہ پڑاؤ انٹریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، خورد و خورش اور منظوری دینا۔
- 2- مالی سال 2023-24 کے لئے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی بورڈ آڈٹ کمیٹی کی سفارش پر، 30 جون 2024 کو ختم ہونے والے سال کے لئے، آڈیٹرز کے طور پر میسرز رحمان سرفراز جیم اقبال رفیق، چارٹرزڈ اکاؤنٹنٹس، کی دوبارہ تقرری کی تجویز دی ہے۔
- 3- خورد و خورش اور اگر مناسب سمجھا گیا تو، بیک پیو ریٹز اینڈ ایجنسی کمیشن آف پاکستان (SECP) کو اپنے نوٹیفیکیشن S.R.O. 389 (I)/2023 مورخہ 21 مارچ 2023ء کی رُو کے مطابق ہے کمپنی کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کے اراکین کو USB/DVD/CD کے ذریعے ترسیل کرنے کے بجائے QR ان اسٹیل کو ڈاؤن لوڈ لینک کے ذریعے ترسیل کے قابل بنانے اور اختیار دینے کے لیے درج ذیل قراردادیں ترمیم کے ساتھ یا اس کے بغیر پاس کرنا۔
- قرار پایا کہ کمپنی SECP کی طرف سے جاری کردہ S.R.O. 389 (I)/2023 مورخہ 21 مارچ 2023ء کے مطابق اپنے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو QR ان اسٹیل کو ڈاؤن لوڈ لینک کے ذریعے کمپنی کے ممبران تک پہنچانے کی اجازت ہے۔
- حریر قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر، یا کمپنی سیکرٹری تمام قانونی تقاضوں اور تقاضوں کی تعمیل کرنے کے لیے تمام کارروائیوں، اعمال اور چیزوں کو کرنے کے لیے اور تمام ضروری کارروائیاں کرنے کا سبب بنتا اور ضروری دستاویزات لائل کرنے، جیسا کہ اس قرارداد کو نافذ کرنے کے مقصد کے لیے ضروری یا اتفاقی ہوں کے واحد طور پر مجاز ہیں۔
- کوئی دیگر امور
- 5- صاحب صدر کی اجازت سے سالانہ اجلاس عام میں انجام دے جانے والے قانونی کسی دیگر امور پر کارروائی کرنا۔

محکم بورڈ آف ڈائریکٹرز

شاہد علی

کمپنی سیکرٹری

لاہور:

07 اکتوبر 2023ء

ممبران کا رجسٹر اور حصص منگنی کتابیں 21 اکتوبر 2023ء تا 28 اکتوبر 2023ء (بشمول دو دنوں ایام) سالانہ اجلاس عام کے مقصد کے لئے بندر ہیں گی۔ منگنیاں کھنی کے رجسٹر اور شیئرز انسٹرکشنز دفتر، THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کرسٹل سٹریٹ 2، ڈی ایچ اے فیزا VII، کراچی میں 20 اکتوبر 2023ء کو کاروبار کے اختتام تک وصول ہونے سالانہ اجلاس عام کے مقصد کے لئے بروقت تصوری ہوگی۔

2- ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM کی کارروائی میں شرکت۔

وہ اراکین جن کے نام 20 اکتوبر 2023ء تک ممبران کے رجسٹر میں موجود ہیں، وہ AGM میں شرکت اور ووٹ دینے کے حقدار ہیں۔ AGM میں شرکت کرنے اور ووٹ دینے کے اہل رکن کو شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کرنے کا حق ہے۔ پراکسی کھنی کا ممبر ہونا ضروری ہے۔

اراکین کو پیسے گئے نوٹس کے ساتھ AGM کے لیے قابل اطلاق پراکسی کا ایک آلہ فراہم کیا جا رہا ہے۔ پراکسی کے آلہ کی مزید کاپیاں عام دفتری اوقات میں کھنی کے رجسٹرڈ آفس سے حاصل کی جاسکتی ہیں۔ پراکسی فارم کھنی کی ویب سائٹ: <http://www.doststeels.com> سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔ پراکسی کا آلہ اور پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت اس پر دستخط کیے گئے ہیں، یا اس کی تصدیق شدہ منگنی کاپی اس طرح کی پاور یا اتھارٹی کو مؤثر ہونے کے لیے، ای میل کے ذریعے shahid.ali@doststeels.com پر یا کھنی کے رجسٹرڈ ایڈریس پر AGM کے وقت سے کم از کم اڑتالیس (48) گھنٹے پہلے جمع کرنا ضروری ہے۔

a- ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM میں شرکت کے لیے اراکین سے درخواست کی جاتی ہے کہ وہ AGM سے کم از کم اڑتالیس (48) گھنٹے پہلے shahid.ali@doststeels.com پر اپنی ای میل کے ذریعے درج ذیل معلومات فراہم کر کے خود کو رجسٹر کریں۔

شیئرز ہولڈرز کا نام	NTN/ CNIC نمبر	فولیو نمبر/ سی ڈی سی IAS اکاؤنٹ نمبر	ای میل نمبر	ای میل ایڈریس

a- ممبران کو مدد، ہالا علاقہ کے مطابق ضروری تصدیق کے بعد رجسٹر کیا جائے گا اور کھنی کی طرف سے ای میل کے ذریعے ایک ویڈیو لنک فراہم کیا جائے گا۔
b- لاگ ان کی سہولت صبح 9:15 بجے سے AGM کے اختتام تک کھلی رہے گی۔

c- ممبران AGM کے ایجنڈے پر اپنے تہرے اتحاد برابھی shahid.ali@doststeels.com پر اپنی ای میل کے ذریعے شیئرز کر سکتے ہیں۔

3- سینٹرل ڈیپازٹری کھنی آف پاکستان لمیٹڈ (سی ڈی سی) کے سرکاری کارڈ اکاؤنٹ ہولڈرز کے لیے گائیڈ لائنز:

سی ڈی سی انویسٹمنٹ اکاؤنٹ ہولڈرز کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کئے گئے سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی مندرجہ ذیل گائیڈ لائنز پر عمل کرنا ہوگا۔

a- اجلاس میں شرکت کیلئے

i- بصورت پراکسی، انویسٹمنٹ اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور/ یا فرد جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں جہاں رجسٹریشن تفصیلات سی ڈی سی ریگولیشن کے مطابق اپ لوڈ ہیں کو AGM میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ دکھانا اپنی شناخت کی تصدیق کرنا ہوگی۔

ii- بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ مع نامزدہ کے مخصوص دستخط AGM کے وقت مہیا کرنا ہوگا۔

b- پراکسی تقرری کیلئے

i- بصورت افراد، انویسٹمنٹ اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور/ یا فرد جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں جہاں رجسٹریشن تفصیلات سی ڈی سی ریگولیشن کے مطابق اپ لوڈ ہیں کو بالاضوریات کے مطابق پراکسی فارم جمع کرنا ہوگا۔

ii- پراکسی فارم دو اشخاص جن کے نام، سچے اور CNIC نمبر پراکسی فارم پر مذکورہ ہو گئے کا گواہی شدہ ہونا چاہئے۔

iii- منگنی ٹھکانے اور ڈاؤن لوڈ پراکسی کے CNIC یا پاسپورٹ کی تصدیق پراکسی فارم کے ساتھ جمع کرنا ہوگی۔

iv- پراکسی کو اپنا اصل CNIC یا پاسپورٹ اجلاس کے وقت مہیا کرنا ہوگا۔

v- بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ مع نامزدہ کے نمونہ دستخط کھنی کو پراکسی فارم کے ساتھ جمع کرنا ہوگا۔ (اگر پہلے مہیا نہیں کیا گیا)

کبھی سالانہ رپورٹ 2023 کی ہارڈ کاپیاں، کسی بھی ممبر کو ان کی درخواست پر، ان کے رجسٹرڈ پتے پر، ایسی درخواست موصول ہونے کے ایک (1) ہفتے کے اندر مفت فراہم کرے گی۔ مزید برآں، اراکین سے درخواست کی جاتی ہے کہ وہ اپنا درست ای میل ایڈریس (درست CNIC کی کاپی کے ساتھ) اگر ممبر مادی شکل میں حصر رکھتا ہے تو کبھی کے شیئر رجسٹرار THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ کو فراہم کریں یا اگر حصص بک انٹری فارم میں رکھے گئے ہیں تو ممبر کے متعلقہ شرکت کنندہ/الونیٹر کا ڈسٹ ممبر کو فراہم کریں۔

5۔ NTV/CNIC جمع کروانا (لازمی):

ایس ای سی پی کی ہدایات کے مطابق شیئر ہولڈرز جن کے کارآمد CNIC یا NTV (کارپورٹ اداروں کی صورت میں) شیئر رجسٹرار کے پاس دستیاب نہیں ہیں ان کے متعلقہ کو روکا جاسکتا ہے۔ اس لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے کارآمد CNIC کی کاپی (اگر پہلے سے فراہم نہیں کی گئی ہو) کبھی کے شیئر رجسٹرار THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ کو جمع کرائیں۔ ممبر کے کارآمد CNIC کی عدم موجودگی میں، کبھی ممبران کے ڈیویڈنڈ کو روکنے پر مجبور ہوگی۔

6۔ کیٹینز ایکٹ، 2017 کے سیکشن 143-145 کیٹیگری (پرنٹل پبلٹ) ریگولیشنز، 2018 اور پاکستان کے دیگر قابل اطلاق قوانین کی ضروریات کو پورا کرتے ہوئے ممبران ای ووٹنگ یا پرنٹل پبلٹ (جیسا کہ قابل اطلاق) کے ذریعے اپنا حق رائے دہی استعمال کر سکتے ہیں۔

7۔ فزیکل شیئر ڈوکوب انٹری فارم میں تبدیلی کرنا:

ایس ای سی پی نے اپنے مراسلہ نمبر CSD/ED/Misc/2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے لمیٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ کیٹینز ایکٹ 2017 کے سیکشن 72 کی دہلیات پر عمل کرتے ہوئے اپنے جاری کردہ فزیکل شیئر ڈوکوب انٹری فارم میں تبدیلی کر دیا جائے۔

دوست اسٹیلو لمیٹڈ کے فزیکل ڈوکوب انٹری شیئر ڈوکوب انٹری فارم سے سی ڈی ایس اکاؤنٹ کو نئے اور بعد ازاں فزیکل شیئر ڈوکوب انٹری فارم میں تبدیلی کرنے میں مدد کے لیے رابطہ کر سکتے ہیں۔ یہ حصص ڈی سی شرکت کنندہ یا سی ڈی ایس اکاؤنٹ سروں پر دوبارہ سے سی ڈی ایس اکاؤنٹ کو نئے اور بعد ازاں فزیکل شیئر ڈوکوب انٹری فارم میں تبدیلی کرنے میں مدد کے لیے رابطہ کر سکتے ہیں۔ یہ حصص یافتگان کو کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل، ڈیکلیٹ حصص کے اجراء کے لیے درکار ریکی کارروائیوں سے گریز وغیرہ شامل ہیں۔ مزید معلومات اور مدد کے لیے، حصص یافتگان ہمارے شیئر رجسٹرار THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔

خصوصی امور سے متعلق کیٹینز ایکٹ 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان

یہ بیان خصوصی امور سے متعلق مادی حقائق کو بیان کرتا ہے، جن لوگوں کے ایجنڈا نمبر 3 میں دیا گیا ہے، جو کہ AGM میں سرانجام دینے کا ارادہ ہے۔

نوٹس کا ایجنڈا نمبر 3

تھینکی ترقی کے پیش نظر، ایس ای سی پی نے SRO No. 389(I)/2023 مورخہ 21 مارچ 2023 کے ذریعے، لمیٹڈ کمپنیوں کو سالانہ آڈٹ شدہ مالیاتی گوشوارے کبھی کے اراکان کو QR ان اسٹیل کوڈ اور ویب لنک کے ذریعے منتقلی کرنے کی اجازت دی ہے، جو شیئر ہولڈرز کی اجلاس کے نوٹس میں شامل کیا جائے گا۔ کبھی سالانہ آڈٹ شدہ مالیاتی گوشواروں کو ای میل کے ذریعے منتقل کرے گی، اگر ممبران کبھی کو ای میل فراہم کر چکے ہیں اور کبھی کی ویب سائٹ www.doststeels.compk پر دستیاب مناسب طریقے سے مکمل شدہ درخواست فارم موصول ہونے پر، حصص یافتگان کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپیاں بھی بھیجے گی۔

کبھی کے ڈائریکٹرز میں سے کوئی بھی سوائے اس کے کہ وہ کبھی کے ممبر اور ڈائریکٹرز ہیں خصوصی امور میں براہ راست یا بالواسطہ دلچسپی نہیں رکھتا ہے۔

CHAIRMAN'S REVIEW

It is a matter of great privilege for me to present the Company's Annual Report and Audited Financial Statements for the year ended June 30, 2023 and share with you an update on the performance of the Company.

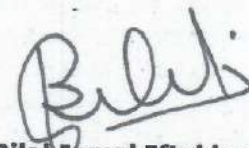
We extend our appreciation to our partners, bankers, shareholders, strategic alliances, human capital and other stakeholders in our business who have shown continued trust in our Company. DSL has a well-diversified and experienced Board members that have core competencies, knowledge, skills and experience relevant to the Company's businesses, that follows best practices relating to corporate governance and other related regulatory requirements. The Board held meetings during the year to review and approve financial statements. The committees also held regular sessions to perform their duties assigned under their respective terms of references by the Board. The detail of these meetings is the Annual Report, despite the challenging pandemic and economic environment.

Financial indicators and significant events of the year have been made available to you over the financial year ended on June 30, 2023. During the year, the board reviewed, discussed and approved the financial statements and all the supporting documentation after thorough deliberation and critical analysis. The Board of Directors of the Company complies with all relevant rules and regulations. The Board has formulated policies and procedures to ensure professional corporate environment in order to promote timely disclosure, transparency, accountability, high ethical standards, compliance with applicable laws, regulations and corporate governance. The board has ensured that every board member has had an adequate opportunity to present their opinions on all strategic matters. Pursuant to the updated Code of Corporate Governance, the company is trying to ensure full compliance of the code of Corporate Governance. These steps will undoubtedly improve board development, remuneration processes, accountability and audit, and relations with shareholders. The Board has recently arranged its evaluation through an independent Firm and overall performance of the Board was measured as satisfactory on the basis of diversity and mix of the board, engagement in planning, diligence, monitoring of business activities and governance and control environment.

We are confident on achieving further improvement of the Company's performance based on the bright prospects of the construction sector, and we look forward to the continued support of our valued shareholders.

Being Chairman of the Board, I will remain firmly committed to ensure that the Company complies with all the relevant provisions of the Code and other regulations.

Lahore
04 October 2023



Bilal Jamal Iftakhar
Chairman, Board of Directors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members Assalam-O-Alaikum

On behalf of my colleagues on the Board, I welcome you to the 20th Annual General Meeting of your Company and present before you the annual report, along with the audited financial statements of your company for year ended 30 June 2023.

The DSL management of the Company (the "Company") in their meeting held on 27 February 2019, decided to make all efforts for potential investment, joint venture, strategic alliance / partnership to overcome the working capital crises in order to resume the operations of the Company. Pursuant to the efforts of the Board, a potential investor (including his nominees) has offered to invest in the Company at a discount.

The Board in their meeting held on 18 January 2022 decided to raise further issue of capital amounting to Rs. 4,446,955,770 divided into 444,695,577 ordinary shares of PKR 10/- each to the issuance of additional 128,961,717 Ordinary Shares of the face value of PKR 10/- each by way of otherwise than right shares to be issued at an issue price of PKR =4.07/- per share under the provisions of section 82 and 83 of the Companies Act, 2017 (the "Act"). The shares were proposed to be issued to Mr. Khawaja Shahzeb Akram (including his nominees).

In this regard the SECP permission was needed and an application to SECP had been made. However Crescent Star Insurance Limited ("CSIL") had filed certain comments to SECP and our said application was pending disposal. In addition, these issues were under litigation (In Lahore High Court) between CSIL and the company which have now been settled. All court cases have been withdrawn by both the parties and subsequently approval for issue of shares other than rights has been given by the SECP on 29 August 2023.

We are pleased to inform you that in the quarter ended 30 September 2023, all litigations with CSIL has been resolved/settled. The company has received approval of SECP through its application dated 15 April 2022. The SECP through its letter dated 29 August 2023 has allowed the company to issue 128,961,717 ordinary shares at PKR 4.07/- each (at discount to par value) amounting to PKR. 524,874,188/- (the consideration) by way of other than right offer to a group of Investors. The company is in the process of resolving the debt settlement with the syndicate lenders, receipt of funds by the company and compliance with the regulatory laws governing process for the share issuance process.

Financial performance of the Company for the year ended June 30th, 2023, was as under:

Description	30 June 2023 (PKR)	30 June 2022 (PKR)
Sale	Nil	Nil
Cost of Sales	(45,646,282)	(38,478,275)
Gross (Loss) / Profit	(45,646,282)	(38,478,275)
Administrative and Selling expenses	(12,257,899)	(41,819,561)
Finance costs	(154,666,232)	(90,241,578)
Other operating income	3,188	35,698,113

Loss before taxation	(212,567,225)	(134,841,301)
Taxation	Nil	Nil
Loss after taxation	(212,567,225)	(134,841,301)

Business Review

The loss per share for the year was Rupees (0.67) per share as compared to Rupees (0.43) per share during the corresponding period. Loss after tax for the year was Rupees 212.567 million as compared to Rupees 134.841 million in corresponding year. The losses were inevitable owing to non-production during the year under review. So far, the Company has not been able to restart production activities due to shortage of working capital. As described above, the company has received SECP's approval of investment in the company by way issuance of share other than right and management is in process of resolving the debt settlement with the syndicate lenders, receipt of funds by the company and compliance with the regulatory laws governing process for the share issuance process. Once these issues are settled the company will be in a position to restart its commercial operations in coming financial year. As of today, The Company is not in a position to declare dividend or any bonus shares to the shareholders of the Company.

Operational Performance

Un-fortunately, the Company could not be able to resume its operation during the year due to the non-availability of adequate working capital. However, as described above company is in process of obtaining approval from relevant authorities for the execution of transaction of potential investor in order to restart commercial operations.

Risk Management

The Company has formulated the risk management structure with the aim of driving the company's sustainable growth and stabilizing management by anticipating and mitigating risk swiftly. In order to address business related risks, the Risk Management Policy specifies a role for each department that is responsible for taking appropriate measures and promoting its own independent risk management activities.

Material Changes in commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance Sheet relates and the date of the report.

Future Prospects, Risks and Uncertainties:

The past year overall had been good for the steel construction industry as many high rises and government projects were on going due to attractive government policies. The current assessment indicates that the present slowdown due to global economic recession, high energy rates, PKR devaluation can last at least one year, however given the severity of the current correction this cycle it may be prolonged. We expect domestic demand for steel to remain at current low levels until the economy can fully adjust to the post-IMF economic realities as both loss in domestic consumers' purchasing power due to PKR devaluation and high interest rates will keep economic growth in check for the foreseeable future.

In recent years Pakistan's Iron and Steel industry posted a high growth mainly driven by increased public spending on infrastructure projects such as roads, bridges, power plants, etc., as well as surging private construction activity. The long-term outlook for steel remains positive as developing economies such as Pakistan, with young and growing populations, require large investments in public infrastructure to continue growing. The country's demographic profile indicates that the economy will require greater investment in housing, energy, automobiles and white goods to service the needs of this demographic. Therefore, the Company believes that rising energy, infrastructure and white goods demand will drive steel demand in the coming years.

Keeping in view the gap between supply and demand, there is bright chances that the Company will be able to earn profit in near future after resuming plant operations.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels within the Company. The system of internal control is sound in design for ensuring achievement of company's objectives, operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Financial Statements

The financial statements of the company have been duly audited and signed by the auditors of the Company, Messrs. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and their report is attached with the financial statements. The auditors have expressed an adverse opinion in their audit report for the financial year ended 30 June 2023. The qualification and reservations and our para wise comments on the qualification and reservations are as follows:

Sr. No.	Reservation / Qualification	Responses
01	The Company, as stated in note 2, has incurred a net loss Rs. 212.567 m and its accumulated losses are Rs. 1,762.847 m. The current liabilities of the Company exceed its current assets by Rs. 1242.672 m and liquid assets by Rs. 1269.567 m. The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of loan agreement with banks and to pay creditors on due date. The Company is in default under its syndicated contractual obligation with bankers as it could not pay any of the 4 installments totaling to Rs. 116.439 m during the year. It has stopped its commercial production since 2019 and lost its key management staff without replacement due to	As stated above in opining paragraph no 2 to 5 and also mentioned in Note No 37 of the financial statements, the company is in the process of issuing further share capital against an offer by a potential investor to overcome the working capital shortages and to settle bank liabilities. The management is hopeful that this will mitigate all these factors

	<p>working capital deficiency. There are also banking litigations against the Company. Management of the Company has also not shared any future plans to revive its business. The covenants of long term loans have been breached at the reporting date. These conditions indicate the existence of significant material uncertainties which may cast significant doubt on ability of the Company to continue as going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the Company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate;</p>	
02	<p>Advance for issuance of shares – unsecured from Crescent Star Insurance Limited (CSIL) and its assignees amounting to Rs. 354.279 m as disclosed in note 16, out of it M/s Dynasty Trading (Private) Limited (DTPL) confirmed amount due to it of Rs. 247.995 m and balance amount remained unconfirmed. The amount of Rs. 354.279 m is due to CSIL and its assignees, however CSIL is now disputing assignment to Dynasty Trading (Private) Limited (DTPL) (Refer 16 and 23). Further we were also unable to confirm these balances by alternative means;</p>	<p>As described in note 16 and 23 to the financial statements the said dispute has been resolved through after reaching a settlement agreement among all concerned parties.</p>
03	<p>We did not receive response to 8 out of 17 of our letters requesting for confirmations from banks amounting to Rs. 0.066 m. Further bank statements of 4 out of 17 banks were also not provided by the management. Therefore, due to lack of sufficient appropriate evidence we were unable to determine whether any adjustment might have been necessary;</p>	<p>Because the company has stopped its production activity due to non-availability of sufficient working capital since 2019, therefore all these banks are stated dormant and have not been used by the company for more than four years. However balance confirmation and Bank statements of all active bank accounts have been provided.</p>
04	<p>The syndicate long term finance (LTF) of Rs. 793.815 m, markup accrued (freezed) thereon of Rs. 614.940 m, accrued markup on overdue portion of LTF of Rs. 414.573 m and markup</p>	<p>The agent failed to effectively communicate within the entire syndicate and between the lenders and the borrower. As a result a consensus could not be reached between the stake holders within the required time</p>

	<p>charged during the year of Rs. 154.656 m as disclosed in note 17, 18, 21 and 26 respectively, remained unconfirmed. Further the Company has breached the covenants of the long term financing and as per the requirement of the IAS 1 (Presentation of Financial Statements), has not classified its long term financing into current liabilities, which constitute the departure from International Financial Reporting Standard. Moreover, the Company have discontinued payments of installments however no information regarding consequent default penalty or additional markup not incorporated in the financial statements, is available. Therefore, accuracy of the figures could not be ascertained;</p>	<p>and therefore confirmation of balances could not be completed. As the company has stopped its core operation since 2019, therefore due to non-availability of sufficient funds, company is unable to pay the said liability however appropriate provision of mark-up, as per agreement, has been provided in the financial statements. Furthermore as described above that the company is in process of resolving the debt settlement with the syndicate lenders and the issues would be settled in the coming financial year.</p>
05	<p>Balance confirmation requests remained unresponded in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 4.052m, Rs. 0.419 m, Rs. 40.521 m, Rs. 36.161 m and Rs. 1.208 m respectively. We were unable to satisfy ourselves by alternative means;</p>	<p>Due to the unorganized nature of the trade creditors, most of these could not be reached and organized.</p>
06	<p>The Company has not conducted impairment testing of its property, plant and equipment (note 5) as on 30 June 2023 under the IAS 36, Impairment of Assets which constitute departure from International Financial Reporting Standards. We consider it necessary at the yearend as the production of the Company has been stopped since 2019. Any impact of the same on assets and the statement of profit or loss of the Company cannot determined;</p>	<p>The company has conducted, In-house impairment testing with regular intervals, for this purpose the company has retained sufficient qualified employees on its payroll. Furthermore, the type of plant is not subjected to rapid technological changes therefore the company believes that the plant and machinery is not subjected to impairment. Further two visits of DSL plant have been arranged with auditor's representatives for physical verification of property plant and equipment which was found to be satisfactory.</p>
07	<p>We did not received confirmation from 1 out of 3 legal advisors and consultants. In absence of all confirmations from legal advisor and consultants and list of pending litigations, completeness of contingencies as disclosed in note 23 cannot be commented upon,</p>	<p>The company has only two legal advisers who have active legal cases in the year under review, whose direct confirmations have been received by the Auditors.</p>

08	<p>The Company had not appropriately complied with requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution. These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/ surcharge due to noncompliance of related provisions of the relevant laws has not been quantified and disclosed in these financial statements.;</p>	<p>Due to non-operational of core business activities most of the expenses are below or not subject to withholding tax limits. However complete provision has been recorded in the books regarding Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution as per related laws, as soon as company is able to financially pay these liabilities they will be paid off.</p>
09	<p>The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 4.17 and 19 to the financial statements and the impact of the noncompliance of IAS 19 on the financial statements has not been quantified;</p>	<p>Due to the non-operation of Core Business Activities and layoff of employees on major position including Human resource department, the management has been unable to organize the determination for Employee Benefits under ordinance 1968. However appropriate provision against retirement benefits has been provided in the financial statements. Furthermore management has planned to follow IAS -19 as per previous practice in the coming year, once the core business operation will resume.</p>

The Statement of compliance with the Code of Corporate Governance is annexed.

The Board of Directors

The Board of Directors is composed of nine members, with statutory representation of different category of directors, which includes an independent director, non-executive directors and executive directors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board is responsible for making strategic decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating matters according to established criteria: assessing risks and giving due consideration to ground realities. The Board is also responsible for supervising and monitoring conduct guidelines.

Auditors

The statutory auditors of the company, Messers Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have completed their audit of the company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June 2023 and shall retire on the conclusion of the 20th Annual General Meeting.

The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors. Being eligible for reappointment under the listing regulations, the Audit Committee recommends their reappointment for the financial year ending 30 June 2024 on terms and remuneration negotiated by the Chief Executive Officer.

Chairman's Review

The accompanied Chairman's review deals with the performance of the Company for the year ended 30 June 2023 and future outlook. The directors endorse the contents of the review.

Pattern of Shareholding

The pattern of shareholding as on 30 June 2023 is attached separately.

Acknowledgement

The Board of Directors once again acknowledges the cooperation of its shareholders, project partner, bankers, supplier's, employees who are helping the Company in its efforts to consolidate and commence commercial operations.

On behalf of the Board of Directors



Jamal Iftakhar
Chief Executive Officer
Lahore: 04 October 2023



Bilal Jamal Iftakhar
Director

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

محترم ممبران السلام علیکم

بورڈ میں اپنے ساتھیوں کی جانب سے، میں آپ کو آپ کی کمپنی کی مجلس عاملہ کے 19 ویں سالانہ اجلاس میں خوش آمدید کہتا ہوں اور آپ کے سامنے 30 جون 2022 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتا ہوں۔

کمپنی کی DSL انتظامیہ ("کمپنی") نے 27 فروری 2019 کو منعقدہ اجلاس میں فیصلہ کیا کہ ممکنہ سرمایہ کاری، جو اسٹوٹ و سٹریچر، تزویراتی اتحاد / پارٹنرشپ کے لیے تمام کوششیں کی جائیں تاکہ متحرک سرمایہ کاری کے بحران پر قابو پایا جاسکے۔ کمپنی بورڈ کی کوششوں کے مطابق، ایک ممکنہ سرمایہ کار (بشمول اس کے نامزد افراد) نے کمپنی میں رعایتی سرمایہ کاری کرنے کی پیشکش کی ہے۔

بورڈ نے 18 جنوری 2022 کو ہونے والے اجلاس میں زر سرمایہ مبلغ چار ارب چوالیس کروڑ انہتر لاکھ پچیس ہزار سات سو ستر روپے (Rs. 4,446,955,770/-) کو دس روپے (-/10 Rs.) والے چوالیس کروڑ چھیالیس لاکھ پچانوے ہزار سات سو ستر روپے (Rs. 10/-) والے شیئر کی اصل قیمت کے اضافی بارہ کروڑ انانوے لاکھ اکٹھ ہزار سات سو سترہ عام حصص کے اجراء کے لئے ہر ایک شیئر کو اصل حصص کی قیمت کے مقابلے میں Rs. 4.07 کے حساب سے سیکشن 82 اور 83 کمپنیز ایکٹ 2017 کے مطابق جاری کیا جائے گا۔

اسی اثناء میں ایس ای سی پی کی اجازت مطلوب تھی اور ایک درخواست بھی ایس ای سی پی کو دائر کی گئی تھی۔ تاہم کریڈیٹ سٹار انشورنس لمیٹڈ نے ایس ای سی پی کو چند اعتراضات ایس ای سی کو جمع کروائے جس کی وجہ سے یہ درخواست زیر التواء تھی۔ مزید برآں یہ اعتراضات لاہور ہائی کورٹ میں زیر مقدمہ بھی تھے جو اب حل ہو چکے ہیں۔ یہ کہ بعد ازاں تمام عدالتی مقدمات دونوں فریقین نے واپس لے لئے۔ بعد ازاں ایس ای سی پی نے اپنے لیٹر جاری کردہ مورخہ 29 اگست 2023 میں شیئرز جاری کرنے کی اجازت دے دی ہے۔

ہم آپ کو بخوشی مطلع کرتے ہیں کہ 30 ستمبر 2023 کو ختم ہونے سے ماہی میں تمام مقدمات برخلاف کریڈیٹ سٹار انشورنس حل ہو چکے ہیں۔ مورخہ 15 اپریل 2022 کو جاری ہونے والی درخواست کی بابت کمپنی کو ایس ای سی پی کی جانب سے تصدیق نامہ موصول ہوا۔ ایس ای سی پی نے اپنے لیٹر جاری کردہ مورخہ 29 اگست 2023 کو کمپنی کو 128,961,717 عام حصص بحساب 4.07 پیسے فی حصہ (کُل مالیت پر ڈسکاؤنٹ کرتے ہوئے) بالعوض مبلغ -/188,876,524 روپے ہذریہ رائنٹ شیئرز کے علاوہ سرمایہ دار کے ایک گروپ کو جاری کرنے کی اجازت دی۔ کمپنی تاحال بینکوں سے حاصل کردہ قرض کی ادائیگی، کمپنی کو فنڈز کی وصولی، اور شیئرز جاری کرنے کے لئے قانونی ضوابط کو حل کرنے کے عمل میں ہے۔

کمپنی کے مورخہ 30 جون 2023 کو ختم ہونے والے سال کی مالی کارکردگی درج ذیل ہے۔

Nil	Nil	سیل
(38,478,275)	(45,646,282)	فروخت کی قیمت
(38,487,275)	(45,646,282)	مجموعی نقصان
(41,819,561)	(12,257,899)	انتظامی اور فروخت کے اخراجات
(90,241,578)	(154,666,232)	فنانس کے اخراجات
35,698,113	3,188	دیگر آمدن
(134,841,301)	(212,267,225)	نقصان قبل از ادائیگی ٹیکس
Nil	Nil	ٹیکس کی مالیت
(134,841,301)	(212,267,225)	نقصان بعد از ادائیگی ٹیکس

کاروباری جائزہ

سال بھر کے لئے فی حصص کا خسارہ 0.67 روپے بمقابلہ گزشتہ سال کے دوران 0.43 روپے فی حصص تھا۔ رواں سال کے دوران کمپنی کا خسارہ مبلغ 212.567 ملین بمقابلہ گزشتہ سال 134.841 ملین رہا۔ یہ خسارہ کمپنی کے پلانٹ بند ہونے کی وجہ سے ہے۔ ابھی تک کمپنی اپنے پلانٹ کو دوبارہ چلانے سے قاصر ہے۔ کیونکہ کمپنی کے پاس مطلوبہ سرمایہ نہیں ہے۔ جیسا کہ درج بالا ہے کہ کمپنی کو ایسی ای سی پی کا تصدیق نامہ کمپنی میں انویسٹمنٹ کے لئے ہڈریچہ عام حصص کے علاوہ موصول ہو چکا ہے اور کمپنی کی انتظامیہ تاحال بینکوں سے حاصل کردہ قرض کی ادائیگی، کمپنی کو فنڈز کی وصولی، اور شیئرز جاری کرنے کے لئے قانونی ضوابط کو حل کرنے کے عمل میں ہے۔ جیسے ہی کمپنی درج بالا معاملات حل ہوتے ہیں تو کمپنی اپنے کمرشل امور آئندہ مالیاتی سال میں سرانجام دینے کے قابل ہو جائے گی۔ اسی وجہ سے فی الحال کمپنی کوئی بھی ڈیویڈنڈ یا بونس اپنے شیئرز ہولڈرز کو دینے کا اعلان نہ کر سکی ہے۔

عملی کارکردگی

بد قسمتی سے، دوران سال ضروری سرمایہ کی عدم دستیابی کی وجہ سے کمپنی اپنی سرگرمیوں کو دوبارہ شروع کرنے سے قاصر رہی۔ تاہم کمپنی اپنی ممکنہ سرمایہ کاری، جو انٹ وینچرز، اسٹریٹجک الاٹنس / پارٹنرشپ کے لئے درپیش متحرک سرمایہ کاری کے بحران پر قابو پانے کے لئے ہر ممکنہ حد تک کوشاں ہے۔ کمپنی پر امید ہے کہ مسلسل کوشش مستقبل قریب میں کمپنی کو کامیاب کرے گی اور کمپنی اپنی سرگرمیوں کا دوبارہ آغاز کے قابل ہوگی۔

خسارے سے تحفظ کے انتظامات

کمپنی نے نقصان سے بچاؤ کے انتظامات کا طریقہ کار وضع کیا ہے جس کا مقصد کمپنی کی پائیدار ترقی کو آگے بڑھانا اور اچانک نقصان کے امکان کی تخفیف کے انتظام کو مستحکم کرنا ہے۔ رسک مینجمنٹ پالیسی ہر ایک محکمے کو کاروبار سے متعلق خطرات سے نمٹنے کے لیے، مناسب اقدامات کرنے اور اپنی خود مختار رسک مینجمنٹ سرگرمیوں کو فروغ دینے کی ذمہ داری کے عمل کو واضح کرتی ہے۔

وعدوں میں خاص تہدیلیاں

مالی سال کے اختتام پر رونما ہونے والی ایسی کوئی خاص تہدیلیاں اور وعدے نہیں ہیں جس سے یہ پبلنس شیٹ اور رپورٹ متاثر ہو۔

مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال

پچھلا سال مجموعی طور پر سٹیل کی تعمیراتی صنعت کے لیے اچھا رہا کیونکہ پرکشش حکومتی پالیسیوں کی وجہ سے بہت سے سرکاری منصوبے جاری تھے۔ موجودہ تشخیص اس بات کی نشاندہی کرتی ہے کہ عالمی اقتصادی کساد بازاری، توانائی کی بلند شرحوں، PKR کی قدر میں کمی کی وجہ سے موجودہ سست روی کم از کم ایک سال تک چل سکتی ہے، تاہم موجودہ کریکشن کی شدت کے پیش نظر یہ سلسلہ کافی طویل ہو سکتا ہے۔ ہم توقع کرتے ہیں کہ اسٹیل کی گھریلو مانگ موجودہ غلجی سطح پر برقرار رہے گی جب تک کہ معیشت آئی ایم ایف کے بعد کی معاشی حقیقتوں کے مطابق مکمل طور پر ایڈجسٹ نہیں ہو جاتی کیونکہ روپے کی قدر میں کمی اور بلند شرح سود کی وجہ سے گھریلو صارفین کی قوت خرید میں دونوں طرح کا نقصان اقتصادی ترقی کو روکے رکھے گا۔ جلد ظاہر ہونے والا مستقبل۔

تباہ کن سیلاب نے ملک کو بھی تباہ کر دیا ہے جس سے ملک کا ایک تہائی حصہ پانی میں ڈوب گیا ہے اور فصلوں، مویشیوں اور انفراسٹرکچر کو بہت زیادہ نقصان پہنچا ہے۔ توقع کی جاتی ہے کہ سیلاب میں متاثر ہونے والوں کو خیموں، دوایوں، مویشیوں وغیرہ کی شکل میں بنیادی دیکھ بھال کی ترجیح دی جائے گی۔ اس کے بعد ایمر جنسی ختم ہونے کے بعد ان علاقوں میں انفراسٹرکچر کی تعمیر نو کے لیے تعمیراتی سرگرمیاں دوبارہ شروع ہو سکتی ہیں۔ توقع ہے کہ اس کے بعد اسٹیل کی طلب میں اضافہ ہو گا۔

حالیہ برسوں میں پاکستان کی آئرن اور اسٹیل کی صنعت نے بنیادی طور پر بنیادی ڈھانچے کے منصوبوں جیسے سڑکوں، پلوں، پاور پلانٹس وغیرہ پر عوامی اخراجات میں اضافے کے ساتھ ساتھ نجی تعمیراتی سرگرمیوں میں اضافے کی وجہ سے بہت زیادہ ترقی کی ہے۔ اسٹیل کے لیے طویل مدتی نقطہ نظر مثبت رہتا ہے کیونکہ پاکستان جیسی ترقی پذیر معیشتیں، نوجوان اور بڑھتی ہوئی آبادی کے ساتھ، ترقی جاری رکھنے کے لیے عوامی

بنیادی ڈھانچے میں بڑی سرمایہ کاری کی ضرورت ہے۔ ملک کی آبادیاتی پروفائل اس بات کی نشاندہی کرتی ہے کہ معیشت کو اس آبادی کی ضروریات کو پورا کرنے کے لیے ہاؤسنگ، توانائی، آٹوموبائل اور سفید سامان میں زیادہ سرمایہ کاری کی ضرورت ہوگی۔ لہذا، کمپنی کا خیال ہے کہ بڑھتی ہوئی توانائی، بنیادی ڈھانچے اور سفید سامان کی طلب آنے والے سالوں میں اسٹیل کی طلب کو آگے بڑھائے گی۔

سپلائی اور ڈیمانڈ کے درمیان فرق کو مد نظر رکھتے ہوئے، اس بات کے روشن امکانات ہیں کہ کمپنی مستقبل قریب میں پلانٹ کا کام دوبارہ شروع کرنے کے بعد منافع کمانے کے قابل ہو جائے گی۔

داخلی مالیاتی کنٹرول

کمپنی کے اندر ہر سطح پر مضبوط اندرونی کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کے حصول، عملیاتی تاثیر اور کارکردگی، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، قواعد و ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لیے بہترین ڈیزائن کا حامل ہے

مالیاتی گوشوارے

کمپنی کے مالیاتی گوشواروں کا باقاعدہ آڈٹ کیا گیا ہے اور کمپنی کے آڈیٹرز، میسرز رحمان سرفرازر جیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے دستخط کیے ہیں اور ان کی رپورٹ مالیاتی گوشواروں کے ساتھ منسلک ہے۔ کمپنی میسرز رحمان سرفرازر جیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس کے آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے اپنی آڈٹ رپورٹ میں منفی

رائے کا اظہار کیا ہے۔ اہلیت اور تحفظات پر ہمارے تبصرے برائے اہلیت اور تحفظات حسب ذیل ہیں:

نمبر شمار	اہلیت / تحفظات	جوابات
01	جیسا کہ نوٹ نمبر 2 میں بتایا گیا ہے کہ کمپنی رواں سال 212.567 ملین روپے کا کل نقصان ہوا ہے۔ اور اس کے مجموعی نقصانات 1762.847 ملین روپے ہیں۔ کمپنی کے واجب الادا قرضہ جات کمپنی کے کل اثاثہ	جیسا کہ رپورٹ کے آغاز میں پیرا گراف نمبر 2 تا 5 اور مالی گوشواروں کے نوٹ 37 میں بتایا گیا ہے کہ کمپنی ایک ممکنہ انویسٹر کی انوسٹمنٹ کیلئے متعلقہ اداروں سے منظوری کے عمل میں ہے۔ جس سے بینکوں قابل واپسی رقم کو ادا کرنے اور پلانٹ دوبارہ بحال

<p>کرنے میں مدد ملے گی۔ اور انتظامیہ پر امید ہے کہ جن خطرات سے آگاہ کیا گیا ہے دور ہو جائیں گے۔</p>	<p>جات سے 1242.672 ملین روپے تک تجاوز کر چکے ہیں اور لیکویڈ اساسہ جات 1269.567 ملین روپے سے تجاوز کر چکے ہیں۔</p>
	<p>طویل عرصے سے واجب الادا وصولیوں، ناموافق کلیدی مالیاتی تناسب، بینکوں کے ساتھ قرض کے معاہدے کی شرائط کی تعمیل کرنے میں دشواری اور قرض دہندگان کو مقررہ تاریخ پر ادائیگی کرنے میں بھی مشکلات و تاخیر کا سامنا رہا ہے۔ بینکرز کے ساتھ کمپنی اپنے طے شدہ معاہدات کی ذمہ داری کے تحت ڈیفالٹر ہے کیونکہ کمپنی 4 اقساط میں سے کوئی بھی قسط ادا نہ کر سکی ہے جن کی کل مالیت 116.439 ملین روپے ہے۔ اور دوران سال کمپنی کو مزید مالی معاونت نہیں دی گئی۔ کمپنی نے 2019 سے اپنی تجارتی پیداوار بند کر دی ہے اور متحرک سرمایہ کاری کی کمی کی وجہ سے اپنے اہم انتظامی عملے کو بغیر کسی متبادل کے کھو دیا ہے۔ کمپنی کے خلاف بینکنگ قانونی چارہ جوئی بھی ہے۔ کمپنی کی انتظامیہ نے بھی اپنے کاروبار کو بحال کرنے کے لیے مستقبل کے کسی منصوبے کا اشتراک نہیں کیا ہے۔ رپورٹنگ کی تاریخ میں طویل مدتی قرضوں کے معاہدوں کی خلاف ورزی کی گئی ہے۔ یہ شرائط اہم مادی غیر یقینی صورتحال کی موجودگی کی نشاندہی کرتی ہیں جو کمپنی کی تشویش کے طور پر جاری رکھنے، اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے کی صلاحیت پر اہم شکوک پیدا کر سکتی ہیں۔ تاہم ان مالیاتی</p>

	<p>گوشواروں میں ریکارڈ شدہ اثاثوں کی بازیابی اور درجہ بندی اور ذمہ داریوں کی درجہ بندی سے متعلق کوئی ایڈجسٹمنٹ شامل نہیں ہے جو ضروری ہو سکتی ہے اگر کمپنی جاری تشویش کے طور پر جاری نہیں رکھ سکتی۔ ان حالات میں بیان کردہ گونگ کنسرن کا استعمال مناسب نہیں ہے۔</p>
<p>جیسا کہ مالیاتی گوشواروں کے نوٹ نمبر 16 اور 23 میں بتایا گیا ہے کہ یہ تمام تنازعات فریقین کے مابین باہمی رضامندی کے معاہدے کے تحت حل ہو چکے ہیں۔</p>	<p>02</p> <p>حصص کے اجراء کے لیے ایڈوانس - کریسٹ سٹار انشورنس لمیٹڈ (CSIL) اور اس کے تفویض کنندگان کی جانب سے دیا گیا ایڈوانس مبلغ 354.279 ملین ہے جس میں سے M/s Dynasty Trading (Private) Limited (DTPL) نے تصدیق شدہ رقم جو کہ واجب الادا ہے مبلغ 247.995 ملین بتائی ہے جیسا کہ نوٹ نمبر 16 میں واضح کیا گیا ہے، اور باقی رقم جو غیر تصدیق شدہ ہے واجب الادا ہے۔ مبلغ 354.279 ملین روپے کی رقم CSIL اور اس کے تفویض کنندگان کے بحق واجب الادا ہے، تاہم CSIL اب Dynasty Trading (Private) Limited (DTPL) (جیسا کہ 16 اور 23 کے حوالہ میں ہے) سے تنازع کر رہا ہے۔ مزید ہم متبادل ذرائع سے حاصل کردہ واجب الادا رقم کی تصدیق سے قاصر رہے ہیں۔</p>
<p>چونکہ کمپنی نے 2018 سے ضروری متحرک سرمایہ کاری کی عدم دستیابی کی وجہ سے اپنی پیداواری سرگرمی روک دی ہے، اس لیے یہ تمام بینک غیر فعال ہیں اور کمپنی نے انہیں 4 سال سے زیادہ</p>	<p>03</p> <p>ہمیں ہمارے جاری کردہ 17 میں سے 8 لیٹر ذرائع تصدیق بینک بیلنس، کے عوض جو ابات موصول نہ ہوئے جن میں رقم مبلغ ساٹھ ہزار روپے کی تصدیق کی درخواست دائر کی گئی۔ جن میں چھیا ساٹھ ہزار روپے کی</p>

<p>عرصے سے استعمال نہیں کیا ہے۔ تاہم تمام فعال مینکس کے تصدیقی لیٹر اور گوشوارے مہیا کیے جا چکے ہیں۔</p>	<p>رقم موجود تھی۔ مزید یہ کہ انتظامیہ نے 18 بینکوں میں سے 4 بینکوں کے گوشوارے بھی فراہم نہ کیے ہیں۔ تاہم مناسب اور مطلوبہ ثبوتوں کی عدم دستیابی کے باعث ہم کسی بھی قسم کی ایڈجسٹمنٹ کرنے سے قاصر رہے ہیں۔</p>
<p>ایجنٹ پورے دورانیہ میں قرض دہندگان اور قرض لینے والے کے درمیان موثر طریقے سے بات چیت کرنے میں ناکام رہا۔ اس کے نتیجے میں اسٹیک ہولڈرز کے درمیان مطلوبہ وقت کے اندر اتفاق رائے نہیں ہو سکا اور اس لیے بیلنس کی تصدیق مکمل نہیں ہو سکی۔ جیسا کہ کمپنی کا پلانٹ 2019 سے بند ہے مناسب فنڈز ہونے کی وجہ سے اسی وجہ سے کمپنی اپنی متعلقہ ادائیگی کرنے سے قاصر ہے۔ تاہم کھاتوں میں مارک اپ معاہدے کے مطابق درج کیا جا رہا ہے۔ مزید برآں جیسا کہ اوپر وضاحت کی گئی ہے کہ کمپنی تاحال بینکوں سے حاصل کردہ قرض کی ادائیگی، کمپنی کو فنڈز کی وصولی، اور شیئرز جاری کرنے کے لئے قانونی ضوابط کو حل کرنے کے عمل میں ہے۔</p>	<p>04</p> <p>793.815 ملین روپے کا طویل المدت قرض جس پر منجمنڈ مارک اپ مبلغ 614.940 ملین ہے اور زائد المیاد کی مارک اپ (LTF) کی رقم مبلغ 414.573 ملین ہے اور دوران سال کا مارک اپ مبلغ 154.656 ملین ہے (جیسا کہ نوٹ نمبر 21، 18، 17، اور 26 میں بالترتیب بتایا گیا ہے) تاحال غیر مصدقہ رہا ہے۔ مزید یہ کہ کمپنی نے طویل مدتی فنانسنگ کے معاہدوں کی خلاف ورزی کی ہے اور 1 IAS (مالی کھاتوں کی پیشکش) کی ضرورت کے مطابق اپنی طویل مدتی فنانسنگ کو موجودہ ذمہ داریوں میں درجہ بندی نہیں کیا ہے، جو کہ بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ سے علیحدگی ہے۔ مزید برآں، کمپنی نے قسطوں کی ادائیگی بند کر دی ہے تاہم اس کے نتیجے میں طے شدہ جرمانے یا اضافی مارک اپ کے بارے میں کوئی معلومات دستیاب نہیں ہیں جو مالی بیانات میں شامل نہیں ہیں۔ لہذا، اعداد و شمار کی درستگی کا تعین نہیں کیا جا سکا؛</p>
<p>تجارتی قرض دہندگان کی غیر منظم نوعیت کی وجہ سے، ان میں سے زیادہ تر تنگ رسائی و انتظامات نہ ہو سکا تھا۔</p>	<p>05</p> <p>بیلنس کی تصدیق کی درخواست کا تاحال کوئی جواب نہ دیا گیا ہے یہ کہ "تجارتی قرضہ جات" معاہداتی واجبات" طویل المدت سیکورٹی کی رقم کی ادائیگیاں " اور "</p>

	<p>سپلائز و دیگر سرگرمیاں "جن کی بابت رقم مبلغ 4.052 ملین، مبلغ 0.419 ملین، مبلغ 40.521 ملین، مبلغ 36.161 ملین، اور مبلغ 1.208 بالترتیب ہے۔ ہم خود کو منجانب کمپنی کسی بھی متبادل ذرائع سے مطمئن کرنے سے قاصر رہے ہیں۔</p>
<p>کمپنی نے باقاعدہ وقفوں کے ساتھ اندرون خانہ خرابی کو جانچنے کی مشق کی ہے، اس مقصد کے لیے کمپنی نے اپنے پے رول پر کافی اہل ملازمین کو برقرار رکھا ہے۔ مزید برآں پلانٹ کی یہ قسم تیز رفتار تکنیکی تبدیلیوں کا شکار نہیں ہوتی اس لیے کمپنی کا خیال ہے کہ پلانٹ اور مشینری خرابی کا شکار نہیں ہے۔ مزید برآں کمپنی کے پلانٹ اور متعلقہ اثاثہ جات کی موجودگی کو تصدیق کرنے کے لئے آڈیٹرز کے نمائندوں نے دو بار پلانٹ کا دورہ کروایا گیا ہے۔ جو کہ متعلقہ اثاثہ جات اور پلانٹ سے مطمئن ہیں۔</p>	<p>06 کمپنی نے IAS 36 کے تحت 30 جون 2023 تک اپنی جائیداد، پلانٹ اور آلات (نوٹ 5) کی خرابی کی جانچ نہیں کرائی ہے، اثاثوں کی خرابی جو کہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات سے کمپنی کو خارج کرتی ہے۔ ہم سمجھتے ہیں کہ سال کے آخر میں یہ ضروری ہے کیونکہ کمپنی کی پیداوار 2019 سے روک دی گئی تھی۔ کمپنی کے اثاثوں اور منافع یا نقصان کے بیان پر اس کے اثرات کا تعین نہیں کیا گیا ہے۔</p>
<p>کمپنی کے اس وقت صرف دو قانونی مشیر ہیں جن کے پاس موجودہ سال میں مقدمے جاری ہیں۔ ان دونوں مشیروں کی کنفرمیشن آڈیٹر کو براہ راست موصول ہو چکی ہے۔</p>	<p>07 ہمیں زیر التواء قانونی مقدموں کے بارے میں کمپنی کے 3 میں سے 1 قانونی مشیروں اور وکلاء کی تصدیق موصول نہیں ہوئی تھی مزید کہ ایک قانونی مشیر کو کنفرمیشن یعنی تصدیق نہیں کروائی گئی۔ لہذا کمپنی کی ذمہ داریوں کے مکمل ہونے پر جیسا کہ نوٹ 23 میں بتایا گیا ہے تبصرہ نہیں کیا جاسکتا۔</p>
<p>بنیادی کاروباری سرگرمیوں کے غیر فعال ہونے کی وجہ سے زیادہ تر اخراجات ٹیکس کی حد سے کم ہیں یا ان سے مشروط نہیں ہیں۔ تاہم متعلقہ قانونی ضوابط کے مطابق مکمل قابل ادائیگی رقم کو پنجاب ایسپلائز، سوشل سیکیورٹی انسٹی ٹیوشن اور ایسپلائز اولڈ ایج بینیفٹ</p>	<p>08 کمپنی نے پنجاب ایسپلائز سوشل سیکیورٹی انسٹی ٹیوشن اور ایسپلائز اولڈ ایج بینیفٹ انسٹی ٹیوشن کی واجب الادا رقم و دہولڈنگ ٹیکس کی کٹوتی اور جمع کرنے کے حوالے سے تقاضوں کی مناسب تعمیل نہیں کی تھی۔ متعلقہ قوانین</p>

<p>انسٹی ٹیوشن کے کھاتوں میں درج کیا گیا ہے اور جیسے ہی کمپنی مالی طور پر مستحکم ہوگی تمام واجبات ادا کر دیے جائیں گے۔</p>	<p>کی متعلقہ دفعات کی عدم تعمیل کی وجہ سے نہ تو طے شدہ جرمانے / سرچارج کے نتیجے میں ہونے والے اثرات کا اندازہ لگایا گیا ہے اور نہ ہی اس کا انکشاف ان مالیاتی گوشواروں میں کیا گیا ہے۔ IAS-1 "مالیاتی گوشواروں کی پیشکش" کی ضرورت کے مطابق ان واجبات کو مالیاتی گوشواروں میں الگ واضح طور پر ظاہر نہ کیا گیا۔</p>
<p>بنیادی کاروباری سرگرمیوں کے غیر فعال ہونے اور ہیومن ریسورس ڈیپارٹمنٹ سمیت بڑے عہدوں پر ملازمین کی برطرفی بشمول ہیومن ریسورس ملازمین، کی وجہ سے، انتظامیہ آرڈیننس 1968 اور IAS-19 کے تحت ملازمین کے ریٹائرمنٹ کے فوائد کے تعین کو ترتیب دینے سے قاصر ہے۔ مزید برآں انتظامیہ نے گزشتہ مشق کے مطابق IAS-19 کی پیروی کرنے کا منصوبہ بنایا ہے، ایک بار جب بنیادی کاروبار آئندہ سال دوبارہ شروع ہو جائے گا۔</p>	<p>09 کمپنی نے انڈسٹریل اینڈ کمرشل ایپلائمنٹس (اسٹیٹنگ آرڈرز) آرڈیننس، 1968 کے تحت قابل ادائیگی گریجویٹ کی تعیین کرنے کے لئے IAS-19 "ملازمین کے فوائد" کی مشق کی پیروی نہیں کی ہے۔ جیسا کہ مالیاتی گوشواروں کے نوٹ 4.17 اور 19 میں وضاحت کی گئی ہے۔ اور IAS 19 کی عدم تعمیل کے اثرات کی مقدار درست نہیں جاچھی جاسکتی۔</p>

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز نو اراکین پر مشتمل ہے، جس میں مختلف قسم کے ڈائریکٹرز کی قانونی نمائندگی ہوتی ہے، جس میں ایک آزاد ڈائریکٹر، نان ایگزیکٹو ڈائریکٹرز اور ایگزیکٹو ڈائریکٹرز شامل ہیں جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں مطلوب ہیں۔ اہم انتظامی معاملات کے حوالے سے حکمت عملی کے فیصلے بشمول اہم کاروباری سرگرمیوں کی انجام دہی اور قانون کے ذریعہ تجویز کردہ دیگر معاملات طے کرنے کے لیے ذمہ دار ہے، یہ فیصلے طے شدہ معیارات کے مطابق معاملات پر غور و فکر کرنے کے بعد کیے جاتے ہیں: خطرات کا اندازہ لگانا اور زمینی حقائق کو مد نظر رکھنا۔ بورڈ طرز عمل کے رہنما خطوط کی نگرانی اور نگرانی کے لیے بھی ذمہ دار ہے۔

ڈائریکٹرز

کمپنی کے قانونی آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے مالیاتی گوشواروں اور کارپوریٹ گورننس کے ضابطہ کی تعمیل کے بیان کا اپنا آڈٹ مکمل کر لیا ہے اور وہ 30 جون 2023 کو 20 ویں سالانہ اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔

آڈٹ فرم کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت ایک تسلی بخش درجہ بندی دی گئی ہے اور فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق سے متعلق رہنما اصولوں کی مکمل تعمیل کرتی ہے۔ آئی سی اے پی۔ آڈیٹرز نے آڈیٹ کے طور پر کام جاری رکھنے کی خواہش ظاہر کی ہے۔ فہرست سازی کے ضوابط کے تحت دوبارہ تقرری کے اہل ہونے کی وجہ سے، آڈٹ کمیٹی 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے ان کی دوبارہ تقرری کی سفارش کرتی ہے جس پر چیف ایگزیکٹو آفیسر کی طرف سے شرائط اور معاوضے پر بات چیت کی جائے گی۔

چیئر مین کا تعین

چیئر مین کا تعین 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے۔ ڈائریکٹرز تعین کے مندرجات کی توثیق کرتے ہیں۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2023 تک شیئر ہولڈنگ کا پیٹرن الگ سے منسلک ہے۔

تصدیق

بورڈ آف ڈائریکٹرز ایک بار پھر اپنے شیئر ہولڈرز، پراجیکٹ پارٹنر، بینکرز، سپلائرز، ملازمین کے تعاون کا اعتراف کرتا ہے جو کمپنی کے تجارتی آپریشنز کو مستحکم کرنے اور شروع کرنے کی کوششوں میں مدد کر رہے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

بلال جمال انصاری

ڈائریکٹر

جمال انصاری

چیف ایگزیکٹو آفیسر

لاہور مورخہ 104 اکتوبر 2023

DOST STEELS LIMITED **CODE OF CONDUCT**

PREAMBLE

Every Company employee receives a personal copy of Code of Conduct at the time of employment. This is the code to which the company is also committed. The maintaining the highest standards of conduct and ethical behavior is morally right and legally required and requires the personal commitment of every Director and Employee.

This Code of Conduct is a guide to the ethical conduct for directors and Employees of the Company. The Code also aims at informing the public of the principles to which the Company's employees subscribe. The code further signifies that Director and employees shall abide by proper and legal business practices, and perform under a standard of professional behavior that adheres to high principles of ethical conduct on behalf of the public, clients, employees etc.

POLICY STATEMENT

It is the policy of the Company to follow the highest business and ethical standards of conduct. It is the obligation of every employee of the Company to be a responsible, i.e. to be honest trustworthy conscientious, and dedicated to the highest standards of ethical business practices

RESPONSIBILITIES TO THE SHAREHOLDERS OF THE COMPANY

A primary obligation of directors and employees of the Company is to serve the shareholders' interest. While the definition of the shareholders' interest changes through ongoing debate, an employee owes faithfulness to a responsibly derived concept of the Shareholders' interest.

THE DIRECTOR' RESPONSIBILITIES TO EMPLOYEES

As an employer, the Board of Directors' has certain responsibilities to its employees, and shall strive to:

- 1) the Company with all applicable employment/labor laws and regulations;
- 2) provide a safe work environment in compliance with all-applicable laws and regulations;
- 3) appropriately acknowledge work performed by employees;
- 4) provide opportunities for professional growth and development of employees;
- 5) develop clear lines of communication between employer and employee, and provide employees with a clear understanding of their responsibilities; and
- 6) consistently maintain fair, equitable, and professional conduct toward its employees.

RESPONSIBILITIES OF EMPLOYEES TO THE COMPANY

1. Employees shall conduct their employment activities with the highest principles of honesty, integrity, truthfulness and honor. To this end, employees are to avoid not only impropriety, but also the appearance of impropriety;
2. Employees have a legal, moral and ethical responsibility to report to the Company, or the appropriate authorities, known or suspected violations of law, regulations, or corporate policy, including the Company's Standards of Conduct;
3. Employees shall not make, recommend, or cause to be taken any action known or believed to be in violation of any law, regulation or corporate policy;
4. Employees shall not make, recommend, or cause to be made any expenditure of funds known or believed to be in violation of any law, regulation or corporate policy;
5. Employees shall not use their position in employment to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favor gift or benefit whether financial or otherwise, to themselves or others.
6. In business dealings with government entities, whether Pakistan or foreign, employees shall not provide or offer to provide, any gratuity, favor or other benefit to government employees, or engage in any other activity which could improperly influencing, their decisions or activities. All such activities with the governmental agencies shall be conducted strictly on an arm's length, basis;
7. Employees representing the Company to third parties shall not allow themselves to be placed in a position in which actual or apparent conflicts of interest exists. Such conflicts of interest may arise appear to arise or appear to arise, by reason of the employees' acceptance of gratuities, favors or other valuable benefits which could improperly influence or reasonably be interpreted as improperly influencing sound business decisions. All such activities shall be conducted strictly on an arm's length, business basis;
8. Employees will exercise great care in situations in which a pre existing personal relationship exists between an employee and an industry representative or Government employee or official of an agency with whom the Company has an existing or potential business relationship. In such a situation the employee shall immediately report the relationship to management and pending further direction by the Company, the employee shall take no further action associated with the business in which the personal relationship exists. Where there is any doubt as to the propriety of the relationship, the employee shall report the relationship to management so as to avoid even the appearance of impropriety;
9. Employees shall not engage in outside business activities, either directly or indirectly, with a client vendor, supplier or agent of the Company, or engage in business activities, which are inconsistent with or contrary to the business activities of the Company;
10. The employees should observe the time of arrival and leaving of office as determined by Human Resource Department of the Company; and
11. Employees shall not use or disclose the Company's business secrets, proprietary or confidential information, or any other confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit.

SUMMARY

The Company's reputation and its actions as a legal entity depend on the conduct of its directors and employees. Each director and employee must commit to act according to the highest ethical standards and to know and abide by applicable laws. We all must assure that our personal conduct is in line with above reproach and complies with the highest standards of conduct and business ethics

We also have no obligation to issuer that the conduct of those who work for and around us comply with the above standards

The Company's Code of Conduct and Standards of Conduct will be enforced at all levels fairly and without prejudice.



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Dost Steels Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Dost Steels Limited** for the year ended 30 June 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, 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 30 June 2023.

Further we highlight below instances of non-compliance with the requirements of the regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph reference	Description
1	18	The requirement of minimum independent directors (i.e., two or one third of the board whichever is higher) has not been complied with.



2	19	Seven out of total nine directors, do not have the required Directors' Training Program (DTP) certification.
3	19	The Head Internal Auditor does not possess requisite qualification according to the Regulations.
4	19	The positions of Chief Financial Officer and Company Secretary are held by the same person.
5	19	The Company has not posted on their website the key elements of its significant policies, brief synopsis of TORs of Board's committees and key elements of director remuneration policy

Rahman Sarfaraz

Rahman Sarfaraz Rahim Iqbal Rafiq,

Chartered Accountants

Engagement Partner: Adnan Rasheed

Lahore 04 OCT 2023

UDIN:CR202310701fR36CnLrY

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Presently, only one director has completed the required Directors' Training Program (DTP) and one director is exempt from DTP on the basis of qualification and experience. The Board could not arrange DTP during the year for the remaining seven directors.
10. During the year the Board has approved the appointment of the Company Secretary including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. However no new appointments of Chief Financial Officer and Head of Internal Audit were made during the year. The head of internal audit does not meet the qualification criteria given in regulation 23
11. The 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:

Audit Committee

Mr. Shahab Mahboob Vora (Chairman)
Mr. Main Abuzar Shad (Member)
Mrs. Mona Zahid (Member)

HR and Remuneration Committee

Mr. Shahab Mahboob Vora (Chairman)
Mr. Jamal Iftakhar (Member)
Mr. Main Abuzar Shad (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) **Audit Committee:** **Five meetings during the year**
 - b) **HR and Remuneration Committee:** **Once during the year**
15. The Board has set up an effective internal audit function, led by Head of internal Audit who is considered suitably qualified and experienced for the purpose and is 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

the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with except the following:

Statement of Compliance para reference	Regulation Ref. no	Non- compliance
2	6	There are two independent directors appointed on the Board instead of one third of the Board (i.e. three).

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Statement of Compliance para reference	Regulation Ref. no	Requirement	Explanation for Non- compliance
9.	19	By June 30, 2022 all the directors on the Board should have acquired the prescribed certification under any DTP offered by the institutions, local or foreign that meet the criteria specified by the commission and approved by it.	Dost Steels Limited being a responsible and compliant company has already arranged DTP in the past for directors and plans to do the same in the future as soon as it over comes its financial constraints.
10 & 15	23	The Board has set up an effective internal audit function led by Head of Internal Audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.	In view of lack of the financial resources appropriate hiring could not be made, however steps are being taken to hire qualified Head of Internal Audit.
10	24	The same person shall not simultaneously hold the office of CFO and the Company Secretary of a listed company.	Currently, the CFO is acting as Company Secretary till the position of Company Secretary is filled. The Board intends to segregate the position as soon as it overcomes its financial constraints.

4	35	The Company has not posted on their website the key elements of its significant policies, brief synopsis of TORs of Board's committees and key elements of director remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.
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For and on behalf of the Board
Dost Steels Limited



Bilal Jamal Iftakhar
Chairman

04 October 2023
Lahore



Independent Auditors' Report

To the members of Dost Steels Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of **DOST STEELS LIMITED (the Company)**, which comprise the statement of financial position as at **30 June 2023**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters as discussed in the **Basis for Adverse Opinion** section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at **30 June 2023** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

1. The Company, as stated in note 2, has incurred a net loss Rs. 212.567 million and its accumulated losses are Rs. 1,762.847 million. The current liabilities of the Company exceed its current assets by Rs. 1,242.672 million and liquid assets by Rs. 1,269.567 million. The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of loan agreement with banks and to pay creditors on due date. The Company is in default under its syndicated contractual obligation with bankers as it could not pay any of the 4 installments totaling to Rs. 116.439 million during the year. It has stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the Company. Management of the Company has also not shared any future plans to revive its business. The covenants of long term loans have been breached at the reporting date. These conditions indicate the existence of significant material uncertainties which may cast significant doubt on ability of the Company to continue as a going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the Company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate;
2. Note 16.1 provides detail of advances for issuance of shares – unsecured, including from Crescent Star Insurance Limited (CSIL) and its assignees amounting to Rs. 354.279 million. According to the management settlement and assignment agreement was reached as disclosed in note 16.2 and consequently related litigations have been withdrawn as disclosed in note 23.1.2.

CSIL had been disputing its assignment to Dynasty Trading (Private) Limited and has confirmed directly to us the whole amount Rs. 354.279 million of advance for issuance of shares along with Rs. 330.235 million and Rs. 10.296 million receivables from the Company in respect of interest and premium

respectively. Further the auditors have been provided a photocopy of the aforesaid agreement which have not been signed by 8 out of 15 parties to the contract including main disputing party -- Dynasty Trading (Private) Limited, the said agreement is also not even witnessed. Management has also not provided us the authenticated court orders regarding withdrawal of pending litigations against the Company and its Sponsors and confirmation from the concerned attorney in this regard. In the absence of sufficient and appropriate audit evidence, we are unable to verify these balances and related disclosures;

3. We did not receive response to 8 out of 17 of our letters requesting for confirmations from banks amounting to Rs. 0.066 million. Further bank statements of 4 out of 17 banks were also not provided by the management. Therefore, due to lack of sufficient and appropriate evidence we were unable to determine whether any adjustment might have been necessary;
4. The syndicate long term finance (LTF) of Rs. 793.815 million, markup accrued (freeze) thereon of Rs. 614.940 million, accrued markup of LTF of Rs. 414.573 million and markup charged during the year of Rs. 154.656 million as disclosed in note 17, 18, 21 and 26 respectively, remained unconfirmed. Further the Company has breached the covenants of the long term financing and as per the requirement of the IAS 1 (Presentation of Financial Statements), has not classified its long term financing into current liabilities, which constitute the departure from International Financial Reporting Standard. Moreover, the Company has discontinued payments of installments however no information regarding consequent default penalty or additional markup not incorporated in the financial statements, is available. Therefore, accuracy of the figures could not be ascertained;
5. Balance confirmation requests remained unresponded in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 4.052 million, Rs. 0.419 million, Rs. 40.521 million, Rs. 36.161 million and Rs. 1.208 million respectively. We were unable to satisfy ourselves by alternative means;
6. The Company has not conducted impairment testing of its property, plant and equipment (note 5) as on 30 June 2023 under the IAS 36, Impairment of Assets which constitute departure from International Financial Reporting Standards. We consider it necessary at the year end as the production of the Company has been stopped since 2019. Any impact of the same on assets and the statement of profit or loss of the Company cannot determined;
7. We did not receive confirmation from 1 out of 3 legal advisors and consultants. In absence of all confirmations from legal advisors and consultants and list of pending litigations, completeness of contingencies as disclosed in note 23 cannot be commented upon;
8. The Company did not appropriately comply with the requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution. These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/surcharge due to noncompliance of related provisions of the relevant laws has not been quantified and disclosed in these financial statements.;
9. The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 4.17 and 19 to the financial statements consequently the impact of the non-compliance of IAS 19 on the financial statements has not been quantified;

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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 adverse opinion.

Emphasis of Matter

We draw attention to note 37 to the financial statements, describing that subsequent to the year end, the Securities and Exchange Commission of Pakistan (SECP) has granted approval regarding further issue of share capital comprising of 128,961,717 ordinary shares at a discounted price of Rs. 4.07 per share to the potential investors other than right shares. Our opinion is not modified in this matter.

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. In addition to the matter described in the **Basis for Adverse Opinion** section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (KAMs)	How the matter was addressed in our audit
(i) Expected Credit Loss (ECL)	
<p>The Company has a significant balance of trade debts amounting to Rs 37.709 million. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECL) as disclosed in note 10 with related policies in 3.4, 4.4 and 4.11.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant judgment in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of procedures and system of the Company for recording and accounting of such type of financial assets; • Obtained an understanding of the basis for the determination of provision required at the year end and the receivables collection process; and • Checked the accuracy of the data on test basis extracted from the Company's accounting system which has been used to calculate the provision required including subsequent recoveries.

Information other than the Financial Statements and Auditors' 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 auditors' report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As discussed in the **Basis for Adverse Opinion** section of our report we have concluded that the other information is materially misstated for the same reason.

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 the 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.

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

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

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



disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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) Except for the effects of matters explained in **Basis for Adverse Opinion** section of our report:
 - i. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
 - ii. the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017). However, the same are in agreement with the books of account and returns;
 - iii. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- b) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).


The engagement partner on the audit resulting in this independent auditors' report is Mr. Adnan Rasheed.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Lahore: 04 OCT 2023
UDIN: AR202310701jofUKBrIY

DOST STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,521,484,066	2,537,149,985
Intangible assets	6	1,000	1,000
Long term security deposits	7	40,521,445	40,521,445
Deferred tax assets	8	-	-
		2,562,006,511	2,577,672,430
CURRENT ASSETS			
Stores and spares		26,845,775	26,845,775
Stock in trade	9	-	-
Trade debtors	10	-	-
Advances	11	1,261,739	1,241,739
Taxes recoverable/adjustable	12	14,598,053	10,056,682
Cash and bank balances	13	129,114	117,743
		42,834,681	38,261,939
TOTAL PROPERTY AND ASSETS		2,604,841,192	2,615,934,369
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	3,157,338,600	3,157,338,600
Discount on issue of right shares	15	(1,365,481,480)	(1,365,481,480)
Revenue reserve			
Accumulated loss		(1,762,846,818)	(1,550,279,593)
		29,010,302	241,577,527
NON-CURRENT LIABILITIES			
Advance for issuance of shares - unsecured	16	358,100,019	358,100,019
Long term borrowings - secured	17	291,983,243	454,997,428
Markup accrued on secured loans	18	614,940,264	614,940,264
Deferred liabilities	19	25,301,017	24,480,355
		1,290,324,543	1,452,518,066
CURRENT LIABILITIES			
Trade and other payables - unsecured	20	43,366,038	49,169,296
Accrued markup	21	414,572,672	259,916,909
Short term borrowings - unsecured	22	325,736,177	273,935,296
Current and overdue portion of long term financing	17	501,831,460	338,817,275
Provision for taxation		-	-
		1,285,506,347	921,838,776
CONTINGENCIES AND COMMITMENTS	23		
		2,575,830,890	2,374,356,842
TOTAL EQUITY AND LIABILITIES		2,604,841,192	2,615,934,369

The annexed notes 1 to 40 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director



DOST STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
Sales		-	-
Cost of sales	24	(45,646,282)	(38,478,275)
Gross loss		(45,646,282)	(38,478,275)
Administrative and selling expenses	25	(12,257,899)	(41,819,561)
Finance cost	26	(154,666,232)	(90,241,578)
Other operating income	27	3,188	35,698,113
Loss before taxation		(212,567,225)	(134,841,301)
Taxation	28	-	-
Loss after taxation		(212,567,225)	(134,841,301)
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total comprehensive loss for the year		(212,567,225)	(134,841,301)
Loss per share - basic and diluted	29	(0.67)	(0.43)

The annexed notes 1 to 40 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director



DOST STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Discount on issue of right shares	Revenue reserve	Total
			Accumulated losses	
----- Rupees -----				
Balance as at 01 July 2021	3,157,338,600	(1,365,481,480)	(1,415,438,292)	376,418,828
Total comprehensive loss for the year	-	-	(134,841,301)	(134,841,301)
Balance as at 30 June 2022	3,157,338,600	(1,365,481,480)	(1,550,279,593)	241,577,527
Total comprehensive loss for the year	-	-	(212,567,225)	(212,567,225)
Balance as at 30 June 2023	3,157,338,600	(1,365,481,480)	(1,762,846,818)	29,010,302

The annexed notes 1 to 40 form an integral part of these financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

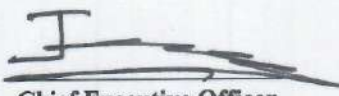


DOST STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(212,567,225)	(134,841,301)
Adjustments for non-cash and other items:		
Depreciation	15,665,919	17,513,821
Amortization	-	332,405
Finance cost	154,666,232	90,241,578
Provision for gratuity	820,662	1,062,005
Bad debts	-	7,482,998
Creditors written back	-	(35,695,408)
Stock written off	-	4,781,225
Profit on bank deposit accounts	(3,188)	(2,705)
	<u>171,149,625</u>	<u>85,715,919</u>
Operating cash flows before working capital changes	(41,417,600)	(49,125,382)
Working capital changes:		
(Increase)/ decrease in current assets:		
Trade debtors	-	1,450,360
Advances	(20,000)	498
Taxes recoverable/ adjustable	(4,541,371)	(1,562,096)
Decrease in current liabilities:		
Trade and other payables	(5,803,258)	(800,546)
	<u>(10,364,629)</u>	<u>(911,784)</u>
Cash flows used in operations	(51,782,229)	(50,037,166)
Finance cost paid	(10,469)	(19,270)
Taxes paid	-	(105,809)
Net cash flows used in operating activities	(51,792,698)	(50,162,245)
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposit accounts	3,188	2,705
Net cash flows generated from investing activities	3,188	2,705
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings-unsecured	51,800,881	50,183,786
Net cash flows generated from financing activities	51,800,881	50,183,786
Net increase in cash and cash equivalents during the year	11,371	24,246
Cash and cash equivalents at the beginning of the year	117,743	93,497
Cash and cash equivalents at the end of the year	129,114	117,743

13

The annexed notes 1 to 40 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director



DOST STEELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Dost Steels Limited (the Company) was incorporated and domiciled in Pakistan on March 19, 2004 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was converted into public limited company with effect from May 20, 2006 and then listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) with effect from November 26, 2007.

The principal business of the Company include manufacturing of steel, direct reduced iron, sponge iron, hot briquetted iron, carbon steel, pig iron, special alloy steel in different forms, shapes and sizes and any other product that can be manufactured with existing facilities.

Geographical location and address of business units/plants are as follows:

<u>Description</u>	<u>Location</u>	<u>Address</u>
Registered Office/ Head Office	Lahore	4th Floor Ibrahim Trade Centre, 1-Aibak Block, Barkat Market, New Garden Town, Lahore.
Mill/ plant site	Phoolnagar	52 Km, Multan Road, Phoolnagar.

2 GOING CONCERN ASSUMPTION

The Company incurred a net loss of Rs. 212.567 million (2022: Rs. 134.841 million) and its accumulated losses are Rs. 1,762.847 million (2022: Rs. 1,550.28 million). The current liabilities of the Company exceeds its current assets by Rs. 1,242.672 million and liquid assets by Rs. 1,269.517 million. The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of loan agreement with banks and to pay creditors on due date. The Company is in default under its syndicated contractual obligation with bankers and unable to obtain additional finance. The Company has also stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the Company (note 23).

Further, the Company is in process of negotiating with syndicate consortium to arrange for working capital need to resume commercial production. The management is also working on other option to induct a strategic investor to provide the required working capital. The Company is expected to earn net profits in coming years. Therefore the Company expects that adequate inflows will be generated in the future years which will wipe out these losses. Hence, the financial statements are prepared on the basis of going concern assumption.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Functional and presentation 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 also the Company's functional and presentation currency.

3.3 Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in these financial statements. Further accrual basis of accounting has been followed except for cash flows information.

3.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of asset, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments



about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

- **Property, plant and equipment**

The Company estimates the rate of depreciation of property and equipment. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

- **Income taxes**

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

- **Trade and other receivables**

The Company regularly reviews its trade and other receivables in order to estimate the provision required against bad debts (refer note 4.4).

- **Employee benefits**

The Company, on the basis of actuarial valuation report, recognises actuarial gains and losses immediately in other comprehensive income; immediately recognises all past service cost in the statement of profit or loss and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/ asset (refer note 4.17).

3.5 Initial application of a standard, amendment or an interpretation to an existing standard and forthcoming requirements

a) Standards and interpretations that became effective but are not relevant to the Company:

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the Financial Statements of the Company other than increased disclosures in certain cases:

- IFRS 3 - Business Combinations - (Amendments updating a reference to the Conceptual Framework).
- IFRS 9 - Financial Instruments - (Amendments to 10 percent test for derecognition of financial liabilities in
- IAS 16- Property, Plant and Equipment - (Amendments regarding proceeds before intended use).
- IAS 16- Property, Plant and Equipment - (Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company).
- IAS 37- Provisions, Contingent Liabilities and Contingent Assets - (Amendments regarding the costs to include when assessing whether a contract is onerous).

b) Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements or are not notified by SECP other than increased disclosures in certain cases:

- IAS 1- Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies- (Effective for annual periods beginning on or after 1 January 2023).
- IAS 1- Presentation of Financial Statements - Amendments regarding the classification of debt with covenants-(effective for annual periods beginning on or after 1 January 2024).
- IAS 1 - Presentation of financial statements - Amendments regarding the classification of liabilities - (applicable on annual periods beginning on or after 1 January 2024).
- IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates- (Effective for annual periods beginning on or after 1 January 2023).
- IAS 12- Income Taxes - (Amendments regarding deferred tax related to assets and liabilities arising from single transaction)-(effective for annual periods beginning on or after 1 January 2023).



- IFRS 7 - Financial Instruments - Amendments regarding supplier finance arrangements - (applicable on annual periods beginning on or after 1 January 2024).
 - IFRS 16 - Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions - (applicable on Annual periods beginning on or after 1 January 2024).
 - IAS 7 - Statement of cash flows - Amendments regarding supplier finance arrangements - (applicable on annual periods beginning on or after 1 January 2024).
 - IAS 41 - Agriculture - Amendment regarding taxation in fair value measurement - (effective for annual periods beginning on or after 1 January 2023).
 - IAS 37- Provisions, Contingent Liabilities and Contingent Assets - (Amendments regarding the costs to include when assessing whether a contract is onerous)-(effective for annual periods beginning on or after 1 January 2022).
 - IFRS 10/ IAS 28 - Consolidated Financial Statements and Investment in Associates - Amendment regarding the sale or contribution of assets between an investor and its associate or joint venture - (Application date not
- Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:**

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

These are initially measured at cost. Subsequent to initial recognition these are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land and capital work-in-progress, which are stated at cost less any identified impairment loss. Depreciation on fixed assets is charged to the statement of profit or loss by applying reducing balance method except that of plant and machinery which is on number of units method. Rates of depreciation are specified in the note 5.

Depreciation is charged on additions from the month in which property, plant and equipment become available for use while no depreciation is charged from the month of deletion/ disposal.

Normal repairs and maintenance are charged to the statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Gain/ loss on disposal of property, plant and equipment are recognized in the statement of profit or loss.

The assets' residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of residual values of property, plant and equipment at the year end has not required any adjustment as its impact is considered insignificant.

Intangibles

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any, and at notional value. Amortization is charged to the statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization is charged on additions from the month in which intangible asset becomes available for use while no amortization is charged from the month in which the asset is disposed off.

4.2 Stores and spares

These are valued at lower of average cost and net realizable value (NRV).

4.3 Stock in trade

These are valued at the lower of NRV and cost determined as follows:

- | | |
|--------------------|--|
| - Raw material | First in First Out (FIFO) |
| - Work in process | Raw material cost |
| - Finished goods | Cost of direct materials and other attributable overheads |
| - Stock in transit | Invoice value and other charges paid thereon upto the year end |

4.4 Trade debtors and other receivables

Trade debtors are recognised and carried at original invoice amount less provision for doubtful debts. An estimated provision is made on the basis of Expected Credit Loss (ECL) method. Bad debts are written off as and when identified. Other receivable are recognised and carried at cost which is the fair value of the consideration to be received in future for goods or services.

4.5 Cash and cash equivalents

Cash in hand and cash at bank, which are held to maturity, are carried at cost. For the purpose of the statement of cash flows, cash equivalent are short-term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.



4.6 Long term loans

These are initially measured at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortized cost using effective interest rate method if applicable, less provision for impairment, if any.

4.7 Trade and other payables

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

4.8 Taxation

Current

Provision for taxation is determined in accordance with the provisions of the Income Tax Ordinance, 2001 and rules made thereunder.

Deferred

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of all deferred tax assets are reviewed at each statement of financial position date and reduced to the extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

4.9 Provisions

A provision is recognized when the Company has an obligation (legal or constructive), as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.10 Revenue recognition

Sales are recognised upon passage of title to the customers which generally coincides with physical delivery under single performance obligation. Profits on bank deposits are recognised on time proportion basis. Interest income is recorded on accrual basis using effective interest rate. Other revenues are accounted for on accrual basis.

4.11 Financial instruments

Recognition and measurement

Financial assets and liabilities are recognized, when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights to receive cash flows from the assets that comprise the financial asset or the rights have been transferred and the Company has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise financial assets or a portion of financial assets. In case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets are long term investments, short term investments, trade and other receivables, advances adjustable in cash and cash and bank balances. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the right to receive the cash flows from the assets have been expired or have been transferred; and the Company has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise the financial assets or a portion of financial assets.

The Company has classified its financial assets based on the requirements as set out in IFRS-9 'Financial Instruments'. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classifications categories of financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics.

4.11.1 Financial assets

a) Financial asset at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and; at an amount equal to lifetime ECLs.
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

b) Financial asset at fair value through other comprehensive income:

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:



- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.
- c) **Financial asset at fair value through profit or loss**
A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Recognition and measurement

Financial assets at initial recognition are measured at its fair value of the consideration given. Subsequent to initial recognition, financial assets shall be classified at amortized cost using effective interest method, fair value through other comprehensive income with changes in fair value recognized in other comprehensive income and fair value through profit or loss with changes in fair value recognized in profit or loss.

The Company follows trade date accounting for purchase and sale of investments.

4.11.2 Financial liabilities

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. At the time of initial recognition, all the financial liabilities shall be measured at fair value plus or minus transaction costs that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortised cost. Significant financial liabilities are due to related party, trade and other payables. Any gain or loss on subsequent remeasurement to fair value of financial assets and financial liabilities is taken to the statement of profit or loss in the year in which it arises.

Offsetting of financial assets and financial liabilities

A financial asset and liability is offset against each other and the net amount is reported in the statement of financial position if the Company has legally enforceable right to set off the recognized amount and intends either to settle on net basis or realize the asset and settle the liability simultaneously.

4.11.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

4.11.4 Impairment

Financial assets

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. Loss allowance for ECL on a financial asset is recognized to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS 9, then the Company has assumed that the credit risk on the asset had not increased significantly since its initial recognition.



The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non financial assets

The Company assesses at each statement of financial position date, whether there is any indication that assets may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount of the asset had there been no impairment loss. A reversal of the impairment loss is recognized in the statement of profit or loss.

4.12 Related party transactions

The Company enters into transactions with related parties for sale or purchase of goods and services on an arm's length basis. However, loan from the related parties are unsecured and interest free.

4.13 Foreign currency translation

Foreign currency transactions are translated into Pak rupees at the rates of exchange prevailing on the date of each transaction. Assets and liabilities denominated in foreign currencies are translated into Pak rupee at the rate of exchange ruling on the statement of financial position date.

4.14 Borrowing costs

Borrowing costs related to the capital work in progress are capitalized in the cost of the related assets. All other borrowing costs are charged to the statement of profit or loss when incurred.

4.15 Staff retirement benefit

Defined benefit plan

The Company, on the basis of actuarial valuation report, recognises actuarial gains and losses immediately in other comprehensive income; immediately recognises all past service cost in statement of profit or loss and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/ asset.

The fair value of plan assets are amortized over the expected average working lives of the participating employees. Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under this scheme.



5 PROPERTY, PLANT AND EQUIPMENT

Particulars	OWNED							Total	
	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipments	Electric equipments		Computer equipments
	----- Rupees -----								
Year ended 30 June 2023									
Cost	157,876,220	232,546,602	2,230,750,729	3,809,299	837,500	1,928,302	10,264,774	5,071,544	2,643,084,970
Accumulated depreciation	-	(99,792,425)	(4,481,784)	(3,273,140)	(741,273)	(1,197,248)	(7,437,404)	(4,677,630)	(121,600,904)
Year ended 30 June 2022									
Cost	157,876,220	132,754,177	2,226,268,945	536,159	96,227	731,054	2,827,370	393,914	2,521,484,066
Accumulated depreciation	-	(85,041,961)	(4,481,784)	(3,178,523)	(717,215)	(1,068,238)	(6,938,454)	(4,508,810)	(105,934,985)
Year ended 30 June 2023									
Opening net book value	157,876,220	147,504,641	2,226,268,945	630,776	120,285	860,064	3,326,320	562,734	2,537,149,985
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(14,750,464)	-	(94,617)	(24,058)	(129,010)	(498,950)	(168,820)	(15,665,919)
Net book value as at 30 June 2023									
Year ended 30 June 2022									
Opening net book value	157,876,220	163,894,046	2,226,268,945	742,090	150,356	1,014,925	3,913,318	803,906	2,554,663,806
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(16,389,405)	-	(111,314)	(30,071)	(154,861)	(586,998)	(241,172)	(17,513,821)
Net book value as at 30 June 2022									
	157,876,220	147,504,641	2,226,268,945	630,776	120,285	860,064	3,326,320	562,734	2,537,149,985
		10%	Units of production	15%	20%	15%	15%	30%	

5.1 Depreciation charged for the year has been allocated as under:

Note	2023	2022
	Rupees	Rupees
24	15,348,015	17,108,819
25	317,904	405,002
	<u>15,665,919</u>	<u>17,513,821</u>

5.2 Freehold land includes land having area of 326 kanal and 12 marla, situated at 52 Km, Multan Road, Phoolnagar. Building is constructed on this land. Freehold land also includes open freehold land having area of 206 acres 68 sq-yards situated in Karachi.

5.3 No depreciation is charged to plant and machinery as per the Company's policy as number of units produced were nil during the year.



	Note	2023 Rupees	2022 Rupees
6 INTANGIBLE ASSETS			
<u>Computer software</u>			
Cost			
At the beginning of the year			
Addition during the year		1,111,350	1,111,350
Balance as at June 30		-	-
Accumulated amortization		1,111,350	1,111,350
At the beginning of the year			
Amortization charge for the year	26	(1,110,350)	(777,945)
Balance as at June 30		-	(332,405)
Written down value as at June 30		(1,110,350)	(1,110,350)
		1,000	1,000
The Company amortizes intangible asset on a straight line basis over the period of useful life @ 30%.			
Intangible asset has been taken at notional value of Rs. 1,000/- after amortising the asset over its estimated useful life as asset is still in use.			
7 LONG TERM SECURITY DEPOSITS			
Against utilities		40,251,445	40,251,445
Against rent		210,000	210,000
Others		60,000	60,000
		40,521,445	40,521,445
8 DEFERRED TAX ASSETS			
The Company has not recognised deferred tax asset amounting to Rs. 138,897,807/- (2022: 172,416,974/-) in respect of temporary differences arising from carrying values and tax base of assets and liabilities and unused tax losses, in view of prudence and to cover uncertainty factor.			
9 STOCK IN TRADE			
Raw material		4,781,225	4,781,225
Less: Provision for obsolete raw material		(4,781,225)	(4,781,225)
		-	-
10 TRADE DEBTORS			
- Unsecured			
Trade debtors		37,708,665	45,218,980
Remeasurement of expected credit loss	10.1	(37,708,665)	(45,218,980)
		-	-
10.1 Remeasurement of expected credit loss			
Opening balance		45,218,980	37,735,982
(Written off) / charged for the year		(7,510,315)	7,482,998
Closing balance		37,708,665	45,218,980
11 ADVANCES			
- Unsecured and considered good by the management			
Advances			
To employees - against salary		20,000	-
To employees - against expenses		24,400	24,400
For supplies/ services	11.1	1,208,110	1,208,110
Letter of credits	11.2	-	-
Margin against letter of credits		9,229	9,229
		1,261,739	1,241,739
11.1 For supplies/services			
Provision against doubtful advances		1,208,110	1,958,110
Opening balance		750,000	2,318,392
Bad debts written off		(750,000)	(1,568,392)
Closing balance		-	750,000
		1,208,110	1,208,110
11.2 Advance against letter of credits			
Provision against letter of credits		3,631,900	3,631,900
		(3,631,900)	(3,631,900)
		-	-
12 TAXES RECOVERABLE/ ADJUSTABLE			
Advance income tax		9,506,891	8,310,587
Input sales tax		5,091,162	1,746,095
		14,598,053	10,056,682
13 CASH AND BANK BALANCES			
Cash in hand		4,655	2,661
Cash at banks:			
- current accounts		97,620	91,203
- deposit accounts	13.1 & 13.2	26,839	23,879
		124,459	115,082
		129,114	117,743
13.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 3,188/- (2022: Rs. 2,911/-). Management of the Company as per arrangement can't withdraw amounts once deposited in this bank account.			
13.2 These carry profit at the rates ranging from 9.00% to 20.00% (2022: 6.75% to 12.25%) per annum.			



14 SHARE CAPITAL

		Note	2023 Rupees	2022 Rupees
30 June 2023	30 June 2022			
Number of shares				
AUTHORIZED SHARE CAPITAL				
360,000,000	360,000,000	Authorized share capital of Rs. 10 each	3,600,000,000	3,600,000,000

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

		Note	2023 Rupees	2022 Rupees
Ordinary share of Rs.10 each				
315,733,860	315,733,860	fully paid in cash	3,157,338,600	3,157,338,600
14.1	It includes 84,166,705 (2022: 84,166,705) ordinary shares of Rs.10/- each amounting to Rs. 841,667,050/- (2022: Rs. 841,667,050/-) held by related parties.			
14.2	The Company has only one class of ordinary shares. The holders of ordinary shares have equal right to receive dividend, bonus and right issue as declared, vote and block voting at meetings, board selection and right of first refusal of the Company.			
14.3	The Company has not reserved shares for issue under options or sale contracts.			
14.4	Reconciliation of shares is not required in view of no change.			

15 DISCOUNT ON ISSUE OF RIGHT SHARES

			1,365,481,480	1,365,481,480
The Company issued right shares with the approval of board of directors, SECP and PSX with face value of Rs. 2,482,693,600/- comprising of 248,269,360 ordinary shares of Rs. 10/- each at a discount of Rs. 5.5/- per share in year 2017.				

16 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED

From Crescent Star Insurance Limited and its assignees			354,279,066	354,279,066
From directors			3,820,953	3,820,953
			358,100,019	358,100,019

- 16.1 The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL), associated company, and directors of the Company which was to be adjusted against further issue of shares by the Company. These amounts are unsecured and interest free. In the previous years, CSIL assigned aggregate amount of Rs. 247,995,000/- and Rs. 57,768,000/- to Dynasty Trading (Private) Limited (DTPL) and Din Corporation (Private) Limited (DCL) respectively, under an assignment agreement executed on February 12, 2019, which was approved by the Board on February 27, 2019.
- 16.2 Subsequently due to non-settlement of assignment consideration by DTPL, a Settlement and Assignment Agreement reached on 07 June 2023 between the concerned parties, pursuant to which the Assignment to DTPL was revoked. Further CSIL and DCL agreed to assign the above-mentioned advance for issue of shares to a group of investors led by Mr. Khawaja Shahzeb Akram (refer note 37).
- 16.3 The above Settlement provides that no markup and other compensation shall be payable on the Advance for Issue of Shares. In addition, all the parties have withdrawn their respective litigations. (refer note 23.1.2)

17 LONG TERM BORROWINGS - SECURED

From banking companies and financial institutions

Term finance - restructured facilities		17.1	-	-
Opening balance			793,814,703	793,814,703
Paid during the year			-	-
			793,814,703	793,814,703
Less: current portion			(163,014,185)	(116,438,704)
Less: overdue portion		17.1.1	(338,817,275)	(222,378,571)
			(501,831,460)	(338,817,275)
			291,983,243	454,997,428

- 17.1 The Company has arranged Restructured Term Finance facilities of Rs. 931,509,627/- from National Bank of Pakistan, Askari Bank Limited, NIB Bank Limited (now MCB Bank Limited), Bank of Khyber, Pak Kuwait Investment Company (Private) Limited, Saudi Pak Industrial and Agricultural Investment Company Limited and Faysal Bank Limited (former Royal Bank of Scotland Limited) as Syndicated loan, whereby Faysal Bank Limited is acting as agent of the syndicate. Due to absence of cash flow and delayed commissioning of the project and subsequent closure of the production, the Company was and is still unable to meet its repayment obligations towards the financiers. All the syndicate banks have given their in-principle approval to the rescheduling and restructuring of the debts and obligations. All the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement.

Terms of rescheduled and restructured agreement are as follows:

- a) For the repayment of the unpaid markup, markup has been calculated on the total outstanding amount from the date of last payment till 30 June 2016 - the assumed date of commissioning @ 8% per annum. As per the terms of the agreement the syndicate loan banks individually have the following two options regarding the repayment of the unpaid markup:
- i) **Option I : The total Markup calculated will be converted into a "Zero Coupon Term Finance Certificate (TFC) convertible into ordinary shares". All the TFCs issued will be completely converted into equity/ordinary shares by 2027 as per the following schedule:**

	Year 9th 2024	Year 10th 2025	Year 11th 2026	Year 12th 2027
Percentage of TFC converted	25%	25%	25%	25%



The Conversion shall be held on the 20th Day of December each year at a discount of 5% to the last six months weighted average price of the Company shares at Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited).

- ii) **Option II : Waiver of 85% of the markup up to the date of the commissioning. The 15% remaining markup would be payable within 2 years after complete repayment of restructured loan i.e 31 December 2025.**

However, respective adjustments of this compound financial instrument regarding classification into equity portion and financial liability as required by the IAS 32 cannot be determined as options are available to individual banks of the syndicate loan and considering the financial standing of the Company in stock market, it is highly unlikely that bankers will opt for the investment in equity option as compared to markup recovery. Further all the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement. Pak Kuwait has not signed this agreement so far and no communication was made by the banks in this respect which will enable the Company to assess treatment for the said markup.

- b) The markup rate effective from the date of commissioning is 3 Month KIBOR payable quarterly in arrears.
c) The principal repayment is made in 41 quarterly instalments commencing from 31 March 2016 and ending on 31 December 2025 as per repayment schedule.
d) The loan is secured by a mortgage by deposit of title deeds of the mortgaged properties, a charge by way of hypothecation over hypothecated assets, pledge of the pledged shares, and personal guarantees of the sponsors.
- 17.1.1 Overdue portion of liability represents amount due from partial installment of fourth quarter of year 2019 upto 30 June 2023 and full portion of Pak Kuwait Investment Company (Private) Limited. Pak Kuwait Investment Company (Private) Limited has neither signed the restructuring agreement nor accepted the payment.

		2023	2022
		<u>Rupees</u>	<u>Rupees</u>
18	MARKUP ACCRUED ON SECURED LOANS		
	On secured loans (refer note 17)	<u>614,940,264</u>	<u>614,940,264</u>
19	DEFERRED LIABILITIES		
	Staff gratuity	19.1 <u>25,301,017</u>	<u>24,480,355</u>
19.1	Staff gratuity		
	Movement in net defined benefit obligation recognized in statement of financial position:		
	Opening balance	24,480,355	23,418,350
	Provision for the year	19.1.1 <u>820,662</u>	<u>1,062,005</u>
		25,301,017	24,480,355
	Less: payments made during the year	<u>-</u>	<u>-</u>
		<u>25,301,017</u>	<u>24,480,355</u>
19.1.1	The Company operates a unfunded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity scheme are undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2019, using the "Projected Unit Credit Method". However, the amount is charged on the basis of last drawn salary of eligible employees with the Company as on 30 June 2023.		
	Provision of gratuity for the year has been allocated as follows:		
	Cost of sales	24.1 <u>455,787</u>	575,505
	Administrative and selling expenses	25.1 <u>364,875</u>	486,500
		<u>820,662</u>	<u>1,062,005</u>
20	TRADE AND OTHER PAYABLES - UNSECURED		
	Creditors	12,050,973	18,099,419
	Contract liabilities	419,438	419,438
	Accrued liabilities	27,884,286	27,639,098
	Payable to old employees	3,011,341	3,011,341
		<u>43,366,038</u>	<u>49,169,296</u>
21	ACCRUED MARKUP		
	Long term financing - secured	<u>414,572,672</u>	<u>259,916,909</u>
	It represents markup pertaining to overdue portion (as explained in note 17). It includes Rs. 45,627,069/- payable to Pak Kuwait Investment Company (Private) Limited as they have not yet accepted and signed the restructuring agreement.		
22	SHORT TERM BORROWINGS - UNSECURED		
	Loan from directors	263,264,661	228,213,780
	Loan from sponsors	<u>62,471,516</u>	<u>45,721,516</u>
		<u>325,736,177</u>	<u>273,935,296</u>

These loans are unsecured, interest free, obtained to facilitate the Company for working capital requirement and had been utilized accordingly. The movement during the year is due to loan obtained amounting to Rs. 55,200,881/- and repayment of loan amounting to Rs. 3,400,000/-.



23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 The Company is not exposed to any contingent liability in respect of syndicated loan at the statement of financial position date, in view of restructuring agreement - note 17.

During the year ended 30 June 2015, two suits were filed against the Company in the High Court for the recovery of Rs. 1,299,588,534/- and Rs. 122,197,136/- filed by Faysal Bank Limited and others and Pakistan Kuwait Investment Company (Private) Limited respectively. The suits are still pending adjudication.

23.1.2 The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL) as described in note 16. The advance is interest free and the fact was confirmed in the confirmation for the year ended 30 June 2016. The CSIL after the right issue unilaterally started claiming markup @ 1 year KIBOR + 3% which the Company does not accept being against the agreed terms and is apparently illegal demand. The amount of disputed markup as on 30 June 2020 calculates to Rs. 187,474,579/-. CSIL has also filed civil suit disputing assignment of Rs. 247,995,000/- in favor of Dynasty Trading (Private) Limited. Subsequent to the year end, the above dispute between CSIL and the Company is settled and cases has been withdrawn by CSIL. As of the date of approval of these financial statements all legal cases are withdrawn by CSIL and there is no contingency appears (refer note 16.2).

	2023 Rupees	2022 Rupees
23.2 Commitments		
Non-capital commitments - post dated cheques	900,781	1,625,000
There are no other contingencies or commitments of the Company except as described above.		

24 COST OF SALES

Raw material consumed

Opening stock of raw material

Add: Purchased during the year

Less: Closing stock of raw material

-	4,781,225
-	-
9	-
-	4,781,225

Manufacturing overheads

Salaries, wages and other benefits

Fuel, power and water

Travelling and conveyance

Entertainment

Repair and maintenance

Printing and stationery

Depreciation

24.1	8,077,315	8,538,103
	20,420,211	7,863,903
	-	15,130
	103,104	17,260
	1,691,387	148,940
	6,250	4,895
5.1	15,348,015	17,108,819
	45,646,282	33,697,050

Add: Opening stock of work in process

Less: Closing stock of work in process

-	-
-	-

Cost of goods manufactured

Add: Opening stock of finished goods

Less: Closing stock of finished goods

45,646,282	38,478,275
-	-
-	-
-	-
45,646,282	38,478,275

24.1 Salaries, wages and other benefits include Rs. 455,787/- (2022 : 575,505/-) in respect of gratuity (note 19.1.1).

25 ADMINISTRATIVE AND SELLING EXPENSES

Salaries and other benefits

Utilities

Rent, rates and taxes

Printing and stationery

Vehicles' running and maintenance

Telephone, postage and couriers

Auditors' remuneration

Legal and professional charges

Entertainment

Repairs and maintenance

Traveling and conveyance

Advertisement

Fees and subscription

Bad debts

Depreciation

Amortization

25.1	6,674,271	26,195,466
	292,995	235,595
	1,095,093	940,043
	36,062	212,491
	-	48,940
	216,417	223,393
	770,600	647,600
25.2	674,234	2,854,971
	-	38,595
	171,133	322,445
	91,531	36,425
	100,677	-
	1,816,982	1,843,192
	-	7,482,998
25.3	-	405,002
5.1	317,904	332,405
6	-	-
	12,257,899	41,819,561

25.1 Salaries, wages and other benefits include Rs. 364,875/- (2022: Rs. 486,500/-) in respect of gratuity (note 19.1.1).

25.2 Auditors' remuneration

Audit fee

CCG review fee

Interim half yearly review fee

Other certification charges

419,100	381,000
77,000	70,000
157,500	156,600
117,000	40,000
770,600	647,600



	2023 Rupees	2022 Rupees
25.3 Bad debts		
Expected credit loss on trade debtors	10.1	7,482,998
26 FINANCE COST		
Markup on long term financing	154,655,763	90,222,308
Bank charges and commission	10,469	19,270
	<u>154,666,232</u>	<u>90,241,578</u>
27 OTHER OPERATING INCOME		
<u>Income from financial instruments</u>		
Profit on bank deposit accounts	3,188	2,705
Exchange gain	-	-
Creditors written back	-	35,695,408
	3,188	35,698,113
<u>Income from non-financial instruments</u>		
Miscellaneous income	-	-
	<u>3,188</u>	<u>35,698,113</u>
28 TAXATION		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
28.1 Relationship between tax expense and accounting profit		

Tax charge reconciliation is not prepared as the Company is charged with minimum tax and the relation between income tax expense and accounting profit is not meaningful.

29 LOSS PER SHARE - BASIC AND DILUTED

Loss per share is calculated by dividing the loss after tax for the year by the weighted average number of ordinary shares outstanding during the year as follows:

Loss attributable to ordinary shareholders	Rupees	<u>(212,567,225)</u>	<u>(134,841,301)</u>
Weighted average number of ordinary shares in issue		<u>315,733,860</u>	<u>315,733,860</u>
Loss per share - basic and diluted	Rupees	<u>(0.67)</u>	<u>(0.43)</u>

No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on loss per share when exercised.



30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

30.1 Financial instrument by category

Financial assets - at amortized cost

	Note	2023 Rupees	2022 Rupees
Long term security deposits	7	40,521,445	40,521,445
Advances	11	9,229	9,229
Cash and bank balances	13	129,114	117,743
		<u>40,659,788</u>	<u>40,648,417</u>

Financial liabilities - at amortized cost

Advance for issuance of shares-unsecured	16	358,100,019	358,100,019
Long term borrowings - secured	17	291,983,243	454,997,428
Markup accrued on secured loans	18	614,940,264	614,940,264
Trade and other payables		42,946,600	48,749,858
Accrued markup	21	414,572,672	259,916,909
Short term borrowings - unsecured	22	325,736,177	273,935,296
Current and overdue portion of long term borrowings	17	501,831,460	338,817,275
		<u>2,550,110,435</u>	<u>2,349,457,049</u>

30.2 Financial risk management

The Company has exposures to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

a) Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Out of the total financial assets of Rs. 40,659,788/- (2022: Rs. 40,648,417/-), the financial assets which are subject to credit risk amounted to Rs. 40,655,133/- (2022: Rs.40,645,756).

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancement. The maximum exposure to credit risk at the reporting date was as follows:

Long term security deposits	40,521,445	40,521,445
Advances	9,229	9,229
Bank balances	124,459	115,082
	<u>40,655,133</u>	<u>40,645,756</u>

All the trade debtors at the statement of financial position date represent domestic parties. The aging of trade receivable at the reporting date was:

1 - 30 days	-	-
Past due 31 - 60 days	-	-
Past due 61 - 180 days	-	-
Past due 181 - 365 days	-	-
Past due more than days	37,708,665	45,218,980
	<u>37,708,665</u>	<u>45,218,980</u>
Remeasurement of expected credit loss	<u>(37,708,665)</u>	<u>(45,218,980)</u>
	-	-
Remeasurement of expected credit loss - aging		
1 - 30 days	-	-
Past due 31 - 60 days	-	-
Past due 61 - 180 days	-	-
Past due 181 - 365 days	-	-
Past due more than days	37,708,665	45,218,980
	<u>37,708,665</u>	<u>37,735,982</u>



Credit risk related to bank balance

The bank balance represents low credit risk as this is placed with banks having good credit ratings assigned by independent credit rating agency. The credit quality of bank balances can be assessed with reference to external credit rating as follows:

Bank Name	Rating agency	Rating		2023	2022
		Short term	Long term		
Askari Bank Limited	PACRA	A-1+	AA+	4,530	4,530
Faysal Bank Limited	VIS & PACRA	A-1+	AA	34,819	34,342
National Bank of Pakistan	VIS & PACRA	A-1+	AAA	4,100	4,100
Silk Bank Limited	VIS	A-2	A-	16,894	15,004
United Bank Limited	VIS	A-1+	AAA	43,795	36,753
Soneri Bank Limited	PACRA	A-1+	AA-	6,557	5,964
Bank Alfalah Limited	PACRA	A-1+	AA+	10,500	10,435
Allied Bank Limited	PACRA	A-1+	AAA	3,234	3,924
Meezan Bank Limited	VIS	A-1+	AAA	30	30
				<u>124,459</u>	<u>115,082</u>

b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

Liquidity / cash flow risk reflects the Company's inability of raising funds to meet commitments. The Company is in process of negotiating with syndicate consortium to arrange for working capital needs to resume commercial production. The management is also working on other options to induct a strategic investor to provide the required working capital.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Contractual maturities		
			Six Months or less	Six to twelve months	More than one year
----- Rupees -----					
30 June 2023					
Advance for issuance of shares-unsecured	358,100,019	358,100,019	-	-	358,100,019
Long term borrowings - secured	291,983,243	291,983,243	-	-	291,983,243
Markup accrued on secured loans	614,940,264	614,940,264	-	-	614,940,264
Trade and other payables	42,946,600	42,946,600	42,946,600	-	-
Accrued markup	414,572,672	414,572,672	414,572,672	-	-
Short term borrowings - unsecured	325,736,177	325,736,177	325,736,177	-	-
Current and overdue portion of long term borrowings	501,831,460	501,831,460	69,863,222	93,150,962	338,817,276
	<u>2,550,110,435</u>	<u>2,550,110,435</u>	<u>853,118,671</u>	<u>93,150,962</u>	<u>1,603,840,802</u>
30 June 2022					
Advance for issuance of shares-unsecured	358,100,019	358,100,019	-	-	358,100,019
Long term borrowings - secured	454,997,428	454,997,428	-	-	454,997,428
Markup accrued on secured loans	614,940,264	614,940,264	-	-	614,940,264
Trade and other payables	48,749,858	48,749,858	48,749,858	-	-
Accrued markup	259,916,909	259,916,909	259,916,909	-	-
Short term borrowings - unsecured	273,935,296	273,935,296	273,935,296	-	-
Current and overdue portion of long term borrowings	338,817,275	338,817,275	214,889,723	123,927,552	-
	<u>2,349,457,049</u>	<u>2,349,457,049</u>	<u>797,491,786</u>	<u>123,927,552</u>	<u>1,428,037,711</u>

c) Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

i) 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 foreign currencies. The Company is not exposed to any currency risk as it does not hold any foreign currency receivables/ payables.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.



At the statement of financial position date the interest rate profile of the Company's interest bearing financial instruments was as follows:

Variable rate - financial liabilities	2023	2022	2023	2022
	Effective rate		Carrying amount	
	%		Rupees	
Long term borrowings	3 Month KIBOR	3 Month KIBOR	291,983,243	454,997,428
Current and overdue portion of long term borrowings	--- do ---	--- do ---	501,831,460	338,817,275
			<u>793,814,703</u>	<u>793,814,703</u>

Interest rate risk cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) loss for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

Cash flow sensitivity - variable rate	Change in BPS	Effect on loss before tax	
		Rupees	Rupees
Long term borrowings	100 bps	2,919,832	4,549,974
Current and overdue portion of long term borrowings	100 bps	5,018,315	3,388,173

Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may issue new shares and take other measures commensurating the circumstances.

Consistently with others in the industry, the company monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt ÷ equity. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises of share capital, reserves and retained earnings.

The net debt-to-equity ratios at 30 June are as follows:

	2023 Rupees	2022 Rupees
Total debts	1,119,550,880	1,067,749,999
Less: cash and bank balances	(129,114)	(117,743)
Net debt	<u>1,119,421,766</u>	<u>1,067,632,256</u>
Total equity	<u>29,010,302</u>	<u>241,577,527</u>
Net debt-to-equity (times)	<u>38.59</u>	<u>4.42</u>

Fair value of financial assets and liabilities

The estimated fair value of all financial instruments is not significantly different from their book value as shown in these financial statements.



31 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel, staff retirement funds and entities over which directors are able to exercise influence. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed based on inter company prices using admissible valuation modes, i.e. comparable uncontrolled price method except short term borrowings which are unsecured and interest free. There are no transactions with the key management personnel other than under their terms of employment/ entitlements.

The outstanding balance payable to directors and sponsors and transactions with them are disclosed in note 16 and 22, shares held by related parties in note 14.1 and remuneration paid to chief executive and directors is disclosed in note 32 to these financial statements. All the transactions with related parties are appropriately disclosed at relevant places in these financial statements.

Following are the related parties with whom the Company had entered into transactions during the year:

<u>Name of Related Party</u>	<u>Basis of Relationship</u>	<u>Relationship</u>	<u>Shareholding %</u>
Mr. Jamal Iftakhar Ahmed	Shareholder and chief executive	Shareholding	8.672%
Mr. Zahid Iftakhar	Shareholder and director	Shareholding	7.784%
Mr. Saad Zahid	Shareholder and director	Shareholding	1.36%
Mr. Bilal Jamal Iftakhar	Shareholder and director	Shareholding	2.536%

32 REMUNERATION AND OTHER BENEFITS TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration, including certain benefits to the chief executive, director and executives of the Company, are as follows:

	<u>Chief Executive</u>		<u>Directors</u>		<u>Executives</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	----- Rupees -----					
Managerial remuneration	-	7,800,000	-	10,800,000	3,660,000	3,660,000
Other allowances	-	-	-	-	-	-
Car allowances	-	-	-	504,000	1,200,000	1,200,000
Staff retirement gratuity	-	-	-	-	405,000	405,000
Directors' meeting fee	-	-	-	-	-	-
	<u>-</u>	<u>7,800,000</u>	<u>-</u>	<u>11,304,000</u>	<u>5,265,000</u>	<u>5,265,000</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>

33 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment and commercial operations were started during the year ended 30 June 2018.

34 PRODUCTION CAPACITY

	<u>2023</u>	<u>2022</u>
	<u>Metric Tons</u>	
Total Installed Capacity - on three shift basis	<u>350,000</u>	<u>350,000</u>
Available Installed Capacity - on three shift basis	<u>350,000</u>	<u>350,000</u>
Actual Production	<u>-</u>	<u>-</u>

The plant has not been operated as the Company had stopped its commercial production since 2019 due to the absence of required working capital.

35 NUMBER OF EMPLOYEES

	<u>Number</u>	
Number of employees as at 30 June	<u>23</u>	<u>27</u>
Average number of employees during the year	<u>22</u>	<u>26</u>

36 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/ cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.



37 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Securities and Exchange Commission of Pakistan (SECP), on the basis of Special Resolution passed by the shareholders of the Company in the Extraordinary General Meeting (EOGM) held on 10 February 2022 and the information/documents submitted to SECP through Company's application dated 15 April 2022 and further correspondence dated 25 July 2023, the SECP through its letter dated 29 August 2023 has allowed the Company to issue 128,961,717 ordinary shares at PKR 4.07 each (at a discount to par value) amounting to PKR 524,874,188/- (the Consideration) by way of other than right offer to the following persons:

Sr #	Name of persons	Number of shares
1	Mr. Khawaja Shahzeb Akram	20,000,947
2	Ms. Quara-ul-Ain Shahzeb	29,983,422
3	Haji Ghulam Ali	6,136,506
4	Mr. Fayyaz Ali	6,136,506
5	Mr. Zahir Khan	26,681,734
6	Mr. Mohabbat Khan	40,022,602
		128,961,717

38 CORRESPONDING FIGURES

The corresponding figures have been rearranged wherever necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangements.

39 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 04 OCT 2023 by the board of directors of the Company.

40 GENERAL

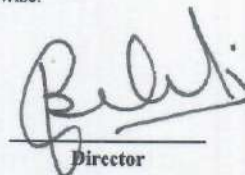
Figures in the financial statements have been rounded off to the nearest Rupees except where stated otherwise.



Chief Executive



Chief Financial Officer



DOST STEELS LIMITED
Pattern of Shareholding
As On 30/06/2023

Page: 1

NO. OF SHAREHOLDERS	←← HAVING SHARES →→		SHARES HELD	PERCENTAGE
	From	To		
271	1	100	6363	0.0020
6422	101	500	3184699	1.0087
1080	501	1000	1067551	0.3381
2452	1001	5000	7180990	2.2744
722	5001	10000	5813863	1.8414
268	10001	15000	3504009	1.1098
172	15001	20000	3188748	1.0099
148	20001	25000	3496225	1.1073
81	25001	30000	2329317	0.7377
50	30001	35000	1691753	0.5358
40	35001	40000	1547140	0.4900
22	40001	45000	961220	0.3044
71	45001	50000	3498060	1.1079
17	50001	55000	902300	0.2858
15	55001	60000	869460	0.2754
9	60001	65000	561080	0.1777
13	65001	70000	892580	0.2827
21	70001	75000	1553200	0.4919
13	75001	80000	1016495	0.3219
4	80001	85000	337000	0.1067
8	85001	90000	705500	0.2234
4	90001	95000	375000	0.1188
42	95001	100000	4188460	1.3266
7	100001	105000	711800	0.2254
6	105001	110000	646020	0.2046
4	110001	115000	451000	0.1428
5	115001	120000	594000	0.1881
6	120001	125000	749000	0.2372
3	125001	130000	390000	0.1235
1	130001	135000	134000	0.0424
4	135001	140000	558500	0.1769
3	140001	145000	427500	0.1354
4	145001	150000	597500	0.1892

DOST STEELS LIMITED

Page : 2

Pattern of Shareholding

As On 30/06/2023

NO. OF SHAREHOLDERS	<--- HAVING SHARES --->		SHARES HELD	PERCENTAGE
	From	To		
1	155001	160000	160000	0.0507
4	160001	165000	654000	0.2071
5	165001	170000	841000	0.2664
2	170001	175000	350000	0.1109
1	180001	185000	183500	0.0581
6	185001	190000	1138500	0.3606
1	190001	195000	195000	0.0618
22	195001	200000	4397200	1.3927
1	200001	205000	205000	0.0649
1	205001	210000	210000	0.0665
1	210001	215000	211500	0.0670
1	215001	220000	220000	0.0697
5	220001	225000	1120500	0.3549
2	230001	235000	467460	0.1481
1	240001	245000	244500	0.0774
2	245001	250000	496000	0.1571
3	250001	255000	758000	0.2401
1	255001	260000	259500	0.0822
2	265001	270000	540000	0.1710
1	270001	275000	273200	0.0865
1	275001	280000	277242	0.0878
1	290001	295000	295000	0.0934
4	295001	300000	1198000	0.3788
3	300001	305000	907500	0.2874
1	310001	315000	315000	0.0998
1	315001	320000	320000	0.1014
3	320001	325000	972000	0.3079
1	325001	330000	327280	0.1037
2	335001	340000	675380	0.2139
1	355001	360000	360000	0.1140
1	360001	365000	365000	0.1156
1	385001	390000	390000	0.1235
3	395001	400000	1200000	0.3801

DOST STEELS LIMITED

Pattern of Shareholding

As On 30/06/2023

Page : 3

NO. OF SHAREHOLDERS	<--- HAVING SHARES --->		SHARES HELD	PERCENTAGE
	From	To		
1	405001	410000	409500	0.1297
1	410001	415000	411360	0.1303
3	420001	425000	1273600	0.4033
1	425001	430000	430000	0.1362
2	445001	450000	895500	0.2636
2	465001	470000	932540	0.2954
1	485001	490000	490000	0.1552
4	495001	500000	1997000	0.6325
1	515001	520000	515500	0.1633
1	565001	570000	565500	0.1791
2	595001	600000	1200000	0.3801
1	605001	610000	606680	0.1921
2	620001	625000	1248000	0.3953
1	630001	635000	635000	0.2011
2	695001	700000	1400000	0.4434
2	745001	750000	1500000	0.4751
1	755001	760000	757000	0.2398
1	790001	795000	791500	0.2507
1	795001	800000	800000	0.2534
2	875001	880000	1755000	0.5558
1	950001	955000	951500	0.3014
3	995001	1000000	3000000	0.9502
1	1075001	1080000	1080000	0.3421
1	1375001	1380000	1380000	0.4371
1	1495001	1500000	1500000	0.4751
1	1570001	1575000	1573500	0.4984
1	1635001	1640000	1636000	0.5182
1	1905001	1910000	1908300	0.6044
1	1915001	1920000	1917000	0.6072
1	2875001	2880000	2880000	0.9122
1	2905001	2910000	2909500	0.9215
1	2985001	2990000	2986043	0.9457
1	3420001	3425000	3424484	1.0846

DOST STEELS LIMITED
 Pattern of Shareholding
 As On 30/06/2023

Page : 4

30/06/2023

NO. OF SHAREHOLDERS	←-- HAVING SHARES --→		SHARES HELD	PERCENTAGE
	From	To		
1	3700001	3706000	3704000	1.1731
1	3715001	3720000	3715500	1.1768
1	3785001	3790000	3789900	1.2003
1	3995001	4000000	4000000	1.2669
1	4290001	4295000	4293912	1.3600
1	4395001	4400000	4400000	1.3936
1	5030001	5035000	5032780	1.5940
1	5540001	5545000	5544888	1.7561
1	7505001	7510000	7508710	2.3782
1	8005001	8010000	8007196	2.5361
1	13115001	13120000	13118000	4.1548
1	16640001	16645000	16641500	5.2707
1	19995001	20000000	20000000	6.3344
1	20455001	20460000	20458000	6.4795
1	23145001	23150000	23145500	7.3307
1	24575001	24580000	24577666	7.7843
1	27380001	27385000	27380966	8.6722
12138		Company Total	315733860	100.0000

DOST STEELS LIMITED

Category of Shareholders

As On 30/06/2023

Page: 1

Particulars	No of Folio	Balance Share	Percentage
SPONSORS, DIRECTORS, CEO AND CHILDREN	11	104624705	33.1370
BANKS, DFI AND NBFI	3	817220	0.2588
INSURANCE COMPANIES	1	7020	0.0022
GENERAL PUBLIC (LOCAL)	11865	201967238	63.9676
GENERAL PUBLIC (FOREIGN)	218	4970556	1.5743
OTHERS	40	3347121	1.0601
Company Total	12138	315733860	100.0000

DOST STEELS LIMITED

Category of Shareholders

As On 30/06/2023

Page : 1

Folio No	Name	Code	Balance Held	Percentage
003244129204	MIAN ABUZAR SHAD	001	20458000	6.4795
003525056191	RAEES IFTAKHAR	001	5544688	1.7561
003525056203	NAVIDA RAEES	001	3424484	1.0846
009563010995	SHAHAB MEHBOOB VOHRA	001	43000	0.0136
013912002167	SAAD ZAHID	001	4293912	1.3600
013912002175	MONA ZAHID	001	400000	0.1267
013912002183	ZAHID IFTAKHAR	001	24577686	7.7843
013912002225	MUSTAFA JAMAL IFTAKHAR	001	7508710	2.3782
013912002233	BILAL JAMAL IFTAKHAR	001	8007196	2.5361
013912002274	JAMAL IFTAKHAR AHMED	001	27380986	8.6722
013912002282	NAJMA JAMAL IFTAKHAR	001	2986043	0.9457
003525100145	ESCORTS INVESTMENT BANK LIMITED	004	9000	0.0029
018432001155	SALIM SOZER SECURITIES (PRIVATE) LIMITED	004	108220	0.0343
018432002237	ASA STOCKS (PVT.) LIMITED	004	700000	0.2217
007328008016	CRESCENT STAR INSURANCE COMPANY LIMITED	005	7020	0.0022
001669000026	SHAFFI SECURITIES (PVT) LIMITED	010	19510	0.0062
001826109215	TPS PAKISTAN (PRIVATE) LIMITED	010	18000	0.0051
001917000033	PRUDENTIAL SECURITIES LIMITED	010	1028	0.0003
002113003811	FIRST UDL MODARABA STAFF PROVIDENT FUND	010	2000	0.0006
003244000025	ZAFAR SECURITIES (PVT) LTD.	010	190000	0.0602
003277013154	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	010	100000	0.0317
003277060958	MIAN NAZIR SONS IND. (PVT) LTD.	010	30000	0.0095
003459031371	CHENAB STOCK SERVICES (PRIVATE) LIMITED	010	35000	0.0111
003525063817	NH SECURITIES (PVT) LIMITED.	010	20005	0.0063
003715003054	TRUSTEES OF CANTEEN STORES DEPARTMENT (0517)	010	1000	0.0003
004085000024	MRA SECURITIES LIMITED	010	300000	0.0950
004150016138	BABAR (PRIVATE) LIMITED	010	50000	0.0158
004648000017	NCC-RETRIEVAL ACCOUNT	010	1500	0.0005
004705078456	TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND	010	1500	0.0005
004895000026	DJM SECURITIES LIMITED	010	1500000	0.4751
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	100000	0.0317

DOST STEELS LIMITED

Category of Shareholders

As On 30/06/2023

Page : 2

Folio No	Name	Code	Balance Held	Percentage
005868000044	CLIKTRADE LIMITED	010	34	0.0000
005884017699	J. K. SPINNING MILLS LIMITED	010	75000	0.0238
006650000022	SAAO CAPITAL (PVT) LIMITED	010	50000	0.0158
006650000048	SAAO CAPITAL (PVT) LIMITED	010	56500	0.0179
006684095722	MAK SECURITIES (PRIVATE) LIMITED	010	1000	0.0003
006999000022	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED	010	44	0.0000
009787002657	MEHDI SECURITIES (PRIVATE) LIMITED	010	1000	0.0003
010231000027	MSMANIAR FINANCIALS (PVT) LTD.	010	2500	0.0008
011387037658	WEAVERS PAKISTAN PVT LIMITED	010	500	0.0002
011387037666	ELAHI NOOR ENTERPRISES PVT LIMITED	010	500	0.0002
011387039829	CRESCENT STAR INSURANCE LIMITED	010	1500	0.0005
011387040298	KM ENTERPRISES (PVT.) LIMITED	010	500	0.0002
011387042864	HAFIZ LIMITED	010	10000	0.0032
011478000028	CMA SECURITIES (PVT) LIMITED	010	35000	0.0111
011692000021	ABA ALI HABIB SECURITIES (PVT) LIMITED	010	500	0.0002
013417004073	BEAMING INVEST & SECURITIES(PVT.) LTD.	010	3000	0.0010
013417023149	IMPERIAL INVESTMENT (PVT) LTD.	010	500	0.0002
013748000857	SUKKUR INSTITUTE OF BUSINESS ADMINISTRATION	010	10000	0.0032
013912000021	INTEGRATED EQUITIES LIMITED	010	565500	0.1791
014118000027	ASDA SECURITIES (PVT.) LTD.	010	25000	0.0079
015404000021	FIRST CHOICE SECURITIES LIMITED	010	100000	0.0317
015578000021	BAWANY SECURITIES (PRIVATE) LIMITED	010	1000	0.0003
018432046846	GPH SECURITIES (PRIVATE) LIMITED	010	30000	0.0095
018432057801	PASHA SECURITIES (PVT.) LIMITED	010	10000	0.0032

FORM OF PROXY

The Company Secretary
Dost Steels Limited
Room No. 403, 4th Floor,
Ibrahim Trade Centre,
1-Aibak Block Barkat Market,
New Garden Town, Lahore

Folio No./CDC A/c No. _____
Shares Held: _____

I/ We _____
(Name) (Address)

being the member (s) of Dost Steels Limited ("DSL") hereby Appointed

Mr. / Mrs./Miss _____ of _____
(Name) (Address)

or failing him / her / Mr. /Mrs. Miss./ _____ of _____
(Name) (Address)

who is also member of the Company vide Registered Folio No. /CDC A/c No. _____ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my/our behalf at an Annual General Meeting of the Company to be held on Saturday 28th October 2023 at 9:30 a.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2023

(Witnesses)

1. _____
Signature

Name _____

Address _____

CNIC No. _____

(Witnesses)

2. _____
Signature

Name _____

Address _____

CNIC No. _____

Affix Revenue Stamp
of Rupees Five

Signature of Shareholder
(Signature appended should agree
with the specimen signature
registered with the Company.)

Notes:

1. A member entitled to attend and vote the Annual General Meeting is entitled to appoint another member as proxy to attend and vote instead of him/her. A corporation or a company being a member of the Company may appoint any of its officer though not a member of the Company;
2. Proxy(s) must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting.
3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.
4. CDC account holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting.

- i) In case of individuals the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the Meeting.
- ii) In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provide earlier) at the time of the Meeting.

B. For appointing Proxies.

- i) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- ii) The proxy form shall be witnessed by two persons, whose names, address and CNIC numbers shall be mentioned of the form.
- iii) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / original CNIC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

پراسی کا فارم

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر:
شیررز

بخدمت جناب کمپنی سیکرٹری
دوست سٹیلز لمیٹڈ
کمرہ نمبر 403، 4th فلور،
ابراہیم ٹریڈ سینٹر،
1 ایک بلاک، برکت مارکیٹ،
نیو گارڈن ٹائون، لاہور

میں / ہم نام پتہ

دوست سٹیلز لمیٹڈ کا ممبر ہونے کے ناطے مسی / مسماة نام پتہ ساکن:

کی تقرری مسی / مسماہ ساکن:

یا مسی / مسماة ساکن:

کی جگہ پر جو کہ کمپنی کا ممبر برائے رجسٹرڈ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر ہے (کمپنی کا ممبر ہونے کے ناطے) کو اپنا
- پراسی (اختیار گرنده) کو میں نے / ہم نے / امور خہ 28 اکتوبر 2023 کو 9:30 صبح کو کمپنی کی مقرر کردہ سالانہ عام اجلاس میں اپنی جگہ
شرکت کے لئے اور دیگر متعلقہ کسی بھی تقریب کے لئے مقرر کیا ہے

دستخط ہذا دن 2023۔

گواہان

پانچ روپے کی ریونیو ڈیپارٹمنٹ کی سٹیپ لف کریں!

1

دستخط

نام:-----

پتہ:-----

شناختی کارڈ نمبر:-----

گواہان:

2-----

دستخط

شیر ہولڈر کے دستخط

(درج بالا دستخط کا سپہل والے دستخط سے مماثلت رکھنا لازم ہے)

نام-----

پتہ-----

شناختی کارڈ نمبر:-----

نوٹس:

1. سالانہ عام اجلاس میں شرکت کرنے اور ووٹ دینے کے حق دار رکن کو اس کی بجائے کسی دوسرے رکن کو شرکت کرنے اور ووٹ دینے کے لیے پراکسی مقرر کرنے کا حق ہے۔ ایک کارپوریشن یا کمپنی کمپنی کارکن ہونے کے باوجود اپنے کسی بھی افسر کو مقرر کر سکتی ہے اگرچہ کمپنی کا رکن نہ ہو۔

2. پراکسی (پراکسی) میٹنگ کے لیے مقرر کردہ وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں حاضر ہونا لازم ہے۔

3. پراکسی کے آلے پر دستخط کمپنی کے ساتھ ریکارڈ کردہ نمونہ کے دستخط کے مطابق ہونے چاہئیں۔

4. سی ڈی سی اکاؤنٹ ہولڈرز کو مزید مندرجہ ذیل رہنما خطوط پر عمل کرنا ہوگا جیسا کہ 26 جنوری 2000 کو سیکورٹیز اینڈ ایکسچینج کمیشن آف

پاکستان کے جاری کردہ سرکلر 1 میں دیا گیا ہے۔

A. میٹنگ میں شرکت کے لیے۔

- (i) افراد کے معاملے میں اکاؤنٹ ہولڈر اور / یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اپنی شناخت کی تصدیق کرے گا اس کا اصل CNIC یا اصل پاسپورٹ کے ساتھ حصہ دار ID نمبر اور میٹنگ میں شرکت کے وقت اکاؤنٹ نمبر کی تصدیق کروانا لازم ہوگا۔
- (ii) کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت بورڈ کی ریویویشن / پاور آف اٹارنی جس میں نامزد شخص کے سیمپل دستخط ہوں گے (اگر پہلے فراہم نہ کیا کیے گئے ہوں) پیش کیا جائے گا۔

B. پراکسیوں (اختیار گرنندگان) کی تقرری کے لیے۔

- (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر اور / یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا تقاضوں کے مطابق پراکسی فارم جمع کرائیں گے۔
- (ii) پراکسی فارم پر دو افراد گواہی دیں گے، جن کے نام، پتہ اور CNIC نمبر فارم میں درج ہوں گے۔
- (iii) شناختی کارڈ کی تصدیق شدہ کاپیاں یا اتھارٹی و ہندگان کے پاسپورٹ اور اختیار گرنندگان کو پراکسی فارم کے ساتھ پیش ہونا لازم ہوگا۔
- (iv) پراکسی (اختیار گرنندگان) میٹنگ کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔
- (v) کارپوریٹ ادارے کی صورت میں، بورڈ کی قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط (اگر پہلے فراہم نہ کیا گیا ہو) کمپنی کو پراکسی فارم کے ساتھ پیش کیا جائے گا۔



Dear Shareholders,

Consent for Circulation of Annual Audited Financial Statements through email

The Securities and Exchange Commission of Pakistan (SECP) through its Notification (S.R.O 787(I)2014) dated 08 September 2014 has allowed companies to circulate annual balance sheet and profit and loss account, auditor's report and directors' report etc., (the "Audited Annual Financial Statements") to the shareholders along with notice of Annual General Meeting (AGM) through e-mail.

If you wish to receive Audited Annual Financial Statements of Dost Steels Limited (the Company) along with notice of AGM via e-mail, you are requested to return this letter duly filled and signed to the Company's Share Registrar at the address mentioned below:

Name of shareholder	
Folio No./CDS Account #	
E-mail Address	
CNIC Numbers	
Cell Phone Number	
Landline Number if any	
Signatures of Shareholders	

Shares Registrar

THK Associates (Pvt.) Limited
1st Floor, 40-C, P.E.C.H.S
Karachi. P.O Box No. 8533
UAN +92 (021) 111-000-322
Fax No. +92 (021) 34168271
E-mail: secretariat@thk.com.pk

Yours Sincerely,
FOR DOST STEELS LIMITED

Company Secretary

www.jamapunji.pk

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