

DOST STEELS LIMITED

ANNUAL REPORT

2024

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. Naim Anwar
Mr. Suhail Elahi
Mr. Zahid Iftakhar
Mr. Jamal Iftikhar
Mr. Shahab Mahboob Vora
Mr. Mian Abuzar Shad
Mr. Murtaza Hussain
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

Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial
Model Town
Lahore

Audit Committee

Mr. Murtaza Hussain
Mr. Mian Abuzar Shad
Mr. Suhail Elahi

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. Suhail Elahi
Mr. Murtaza Hussain
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. Afzal Shehzad

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

DOST STEELS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Dost Steels Limited will be held on November 27, 2024 at 12.00 p.m. at Room Number 401, 4th Floor, Ibrhaim Trade Centre 1 Aibak Block, Barket Market, New Garden Town Lahore to transact the following business.

ORDINARY BUSINESS:

1. To confirm and approve the minutes of the Extra Ordinary General Meeting held on September 19, 2024.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2024 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration.

ANY OTHER BUSINESS:

4. To consider any other business with the permission of Chairman.

Karachi: November 5, 2024

By order of the Board
Company Secretary

Notes:

1. The Share Transfer Books of the Company shall remain closed from November 21, 2024 to November 27, 2024 (both days inclusive). Transfers received at our registrar office M/s Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore by the close of business on November 20, 2024 will be treated in time.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.
3. Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.
4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.

5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended June 30, 2024 are also available on the Company's website: www.doststeels.com.
7. Form of Proxy is enclosed.

اطلاع برائے سالانہ اجلاس عام

یہ ذرا یہ بندہ مطلع کیا جاتا ہے کہ دوست اسٹیلز لمیٹڈ کا سالانہ اجلاس عام، کمپنی کے رجسٹرڈ دفتر، کمرہ نمبر 401، 4th فلور، ایبرا ٹیم ٹریڈ سنٹر، ایک بیک یا ایک برکت مارکیٹ، نیوگا روڈ، ناؤن، لاہور پر 27 نومبر 2024 کو دوپہر 12:00 بجے منعقد ہوگا۔

عام امور:

1۔ 19 ستمبر 2024 کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق اور منظوری دینا۔

2۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ نظر ثانی شدہ مالی گوشوارے معائنہ پر چیئرمین کی جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوش اور منظوری دینا۔

3۔ 30 جون 2025 کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔

کوئی دیگر امور

4۔ صاحب صدر کی اجازت سے کسی دیگر امور پر کارروائی کرنا۔

کراچی:

05 نومبر 2024ء

نوٹس:

1۔ کمپنی کی تھیں منتقلی کتابیں 21 نومبر 2024ء تا 27 نومبر 2024ء (بشمول دونوں ایام) بند رہیں گی۔ منتقلیاں ہمارے رجسٹرار آفس میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، گلزار کینڈے، K-1 کمرشل، ماڈل ناؤن، لاہور میں 20 نومبر 2024ء کو کاروبار کے اختتام تک وصول ہونے والی بروقت تصور ہوگی۔

2۔ اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل رکن اجلاس میں خود شرکت، بولنے اور ووٹ دینے کے بجائے کسی دوسرے شخص کو اپنا پراسی متر کر سکتا ہے۔ پراسی میٹر ہونے کے لئے، اجلاس سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ دفتر میں موصول ہونا ضروری ہے۔ ایک رکن ایک سے زیادہ پراسی متر کر کے کا حق دار نہیں ہوگا۔

3۔ سینٹرل ڈپازٹری کمپنی (سی ڈی سی) کے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اجلاس میں شرکت کرتے وقت شناختی متعہد کے لئے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ، سی ڈی سی میں اکاؤنٹ / ذیلی اکاؤنٹ اور پارٹیسیپنٹ شناختی نمبر ہمراہ لائیں۔ کارپوریت ادارے کی صورت میں، بورڈ کی قرارداد / پاور آف اٹارنی نمونے کے دستخط کے ساتھ اجلاس کے وقت پیش کی جائے گی (بشرطیکہ یہ پہلے فراہم نہ کی گئی ہو)۔

4۔ جن ممبران نے ابھی تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی فوٹو کاپی کمپنی کے رجسٹرار کو تین نہیں کرائی ہے ان سے درخواست کی جاتی ہے کہ وہ اسے جلد از جلد بھیجیں۔

5۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے بارے میں کمپنی کے شیئرز رجسٹرار کو فوری طور پر مطلع کریں۔

6۔ ممبران سالانہ آڈٹ شدہ مالی گوشوارے اور اجلاس عام کا نوٹس ای میل کے ذریعہ وصول کرنے کا اختیار رکھتے ہیں۔ ممبران اس سلسلے میں اپنی رضامندی مقررہ فارمیٹ پر شیئرز رجسٹرار کو روئے سکتے ہیں۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ اکاؤنٹس کمپنی کی ویب سائٹ:

www.doststeels.com پر بھی دستیاب ہیں۔

6۔ پراسی فارم لفٹ ہے۔

محکم بورڈ

کمپنی سیکرٹری

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, 2024 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, 2024. 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
05 November 2024

A handwritten signature in blue ink, appearing to read 'Naim Anwar', is written over a horizontal blue line.

Naim Anwar
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 21st 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 2024.

The 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 invested in the Company.

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).

We are pleased to inform you that in the quarter ended 30 September 2023, 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. Subsequent to the approval of SECP, 128,961,717 Ordinary Shares of the face value of PKR 10/- each by way of otherwise than right shares were issued to Shahzeb Akram and nominees. The company is in the process of resolving the debt settlement with the syndicate lenders and several proposals are being discussed.

Financial performance of the Company for the year ended June 30th, 2024, was as under:

Description	30 June 2024 (PKR)	30 June 2023 (PKR)
Sale	Nil	Nil
Cost of Sales	(52,468,778)	(45,646,282)
Gross (Loss) / Profit	(52,468,778)	(45,646,282)
Administrative and Selling expenses	(30,788,542)	(12,257,899)
Finance costs	(177,220,020)	(154,666,232)
Other operating income	18,241,417	3,188
Loss before taxation	(242,235,923)	(212,567,225)
Taxation	Nil	Nil
Loss after taxation	(242,235,923)	(212,567,225)

Business Review

The loss per share for the year was Rupees (0.65) per share as compared to Rupees (0.67) per share during the corresponding period. Loss after tax for the year was Rupees 242.236 million as compared to Rupees 212.567 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. Once these issues are settled the company will be in a position to restart its commercial operations. 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 resolving debt settlement with Syndicate banks. 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:

Though the past year overall has not been good for the steel construction industry however with improvement in economic conditions we expect a boost in construction activities boosting demand for steel. We also expect that economic improvement will enable to launch several foreign financed projects. 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 2024. The qualification and reservations and our para wise comments on the qualification and reservations are as follows:

Sr. No.	Reservation / Qualification	Responses
01	<p>The Company, as stated in note 2, has incurred a net loss Rs. 242.236 m and its accumulated losses are Rs. 2,005.083 m. The current liabilities of the Company exceed its current assets by Rs. 1495.072 m and liquid assets by Rs. 1521.918 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. 163.015 m 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 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</p>	<p>As stated above in opining paragraph no 2 to 5, the company has issued further share capital to the potential investor and is in the process of settlement with syndicate banks after it can start commercial production. The management is hopeful that this will mitigate all these factors</p>

	circumstances use of going concern assumption is not appropriate;	
02	We did not receive response to 11 out of 17 of our letters requesting for confirmations from banks amounting to Rs. 0.082 m. Further bank statements of 16 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;	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.
03	The syndicate long term finance (LTF) of Rs. 793.815 m, markup accrued (frozen) thereon of Rs. 614.940 m, accrued markup on overdue portion of LTF of Rs. 591.743 m and markup charged during the year of Rs. 177.171 m as disclosed in note 18, 19, 22 and 27 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;	The banks have filed recovery suits as such the matter being subjudice balance confirmations have not been obtained. The company is in the process of settlement with syndicate banks and with restructuring with syndicate banks the repayment will be made over the years as such the company has not classified its long term liabilities into current liabilities. After settlement with banks the company will continue repayments.
04	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. 2.500 m, Rs. 0.119 m, Rs. 40.521 m, Rs. 17.922 m and Rs. 0.639 m respectively. We were unable to satisfy ourselves by alternative means;	Due to the unorganized nature of the trade creditors, most of the creditors have not given balance confirmations.
05	The Company has not conducted impairment testing of its property, plant and equipment (note 6) as on 30 June 2024 under the IAS 36, Impairment of Assets	The company has carried out fresh valuation of the company's assets in year 2024 and in the opinion of the management there are no internal or external factors

	<p>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 is not determined;</p>	<p>present requiring impairment testing of property, plant and machinery. The company believes that the plant and machinery is not subjected to impairment.</p>
06	<p>We did not received confirmation from 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 24 cannot be commented upon,</p>	<p>The company provided confirmation to the legal advisor but they did not provide a response to the auditors during the audit.</p>
07	<p>The Company did 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 also 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>
08	<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 20 to the financial statements consequently 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 2024 and shall retire on the conclusion of the 21st 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 2025 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 2024 and future outlook. The directors endorse the contents of the review.

Pattern of Shareholding

The pattern of shareholding as on 30 June 2024 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

A handwritten signature in blue ink, appearing to read 'Suhail Elahi'.

Suhail Elahi
Chief Executive Officer
Lahore: 05 November 2024

A handwritten signature in blue ink, appearing to read 'Naim Anwar'.

Naim Anwar
Director

ڈائریکٹر ز رپورٹ برائے حصص یافتگان

محترم ممبران اسلام علیکم

بورڈ میں شامل اپنے ساتھیوں کی جانب سے میں آپ کی کمپنی کی 21 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہتا ہوں اور 30 جون 2024 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے آڈٹ شدہ مالیاتی گوشوارے معرر پورٹ کے ساتھ آپ کے سامنے پیش کرتا ہوں۔

دوست اسٹیل لیمیٹڈ ("کمپنی") نے 27 فروری 2019 کو منعقدہ اپنی میٹنگ میں فیصلہ کیا کہ ممکنہ سرمایہ کاری، جو انٹ وینچر، اسٹریٹجک اتحاد / شراکت داری کے لئے تمام کوششیں کی جائیں تاکہ ورکنگ کیپٹل کے بحران پر قابو پایا جسکے۔ کمپنی بورڈ کی کوششوں کے مطابق، ایک ممکنہ سرمایہ کار (جس میں اس کے نامزد افراد بھی شامل ہیں) نے کمپنی میں سرمایہ کاری کی ہے۔

بورڈ نے 18 جنوری 2022 کو ہونے والے اجلاس میں زر سرمایہ مبلغ چار ارب چوالیس کروڑ انہتر لاکھ پچپن ہزار سات سو ستر روپے (4,446,955,770) کو دس روپے (PKR 10/-) چوالیس کروڑ چھیالیس لاکھ پچانوے ہزار پانچ سو ستر (444,695,577) عام حصص میں تقسیم کیا ہے۔ رائٹ شیئر کے علاوہ ہر دس روپے (PKR 10/-) والے شیئر کی اصل قیمت کے اضافی ایک سو اٹھائیس ملین نو لاکھ اکٹھ ہزار سات سو ستر (128,961,717) عام حصص کے اجراء کے لئے ہر ایک شیئر کو اصل حصص کی قیمت کے مقابلے میں 4.07 روپے کے حساب سے سیکشن 82 اور 83 کمپنیز ایکٹ 2017 کے مطابق جاری کیا جائے گا۔ یہ حصص جناب شاہ زیب اکرم (نامزد افراد سمیت) کو جاری کرنے کی تجویز دی گئی تھی۔

ہم کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی میں کمپنی نے اپنی دائر درخواست مورخہ 15 اپریل 2022 کے ذریعے ایس ای سی پی (SECP) کی منظوری حاصل کر لی ہے۔ ایس ای سی پی (SECP) نے مورخہ 29 اگست 2023 کو لیٹر کے ذریعے کمپنی کو 128,961,717 عام حصص، فی حصص 4.07 روپے کی (رعایتی قیمت پر) جسکی کل رقم -/524,874,188 روپے ہے، رائٹ حصص کے علاوہ کی اجازت دی، سرمایہ کاروں کے ایک گروپ کو۔ ایس ای سی پی (SECP) کی منظوری کے بعد، شاہ زیب اکرم اور نامزد افراد کو 128,961,717 عام حصص، 10 روپے فی حصص کی عام قیمت کے بصورت دیگر رائٹ حصص جاری کئے گئے۔ کمپنی سنڈیکٹ قرض دہندگان کے ساتھ قرض کے تصفیے کو حل کرنے کے عمل میں ہے اور متعدد تجاویز پر تبادلہ خیال کیا جا رہا ہے۔

30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کی مالی کارکردگی درج ذیل ہے۔

تفصیل	30 جون 2024 (روپے میں)	30 جون 2023 (روپے میں)
فروخت	-	-

(45,646,282)	(52,468,778)	فروخت کی لاگت
(45,646,282)	(52,468,778)	مجموعی منافع / (نقصان)
(12,257,899)	(30,788,542)	انتظامی اور فروخت کے اخراجات
(154,666,232)	(177,220,020)	مالیاتی اخراجات
3,188	18,241,417	دیگر آپریٹنگ آمدنی
(212,567,225)	(242,235,923)	نفع / (نقصان) قبل از ٹیکس
-	-	ٹیکسیشن
(212,567,225)	(242,235,923)	نفع / (نقصان) بعد از ٹیکس

کاروباری جائزہ

سال کے لئے فی حصص نقصان 0.65 پیسے ریکارڈ ہوا جبکہ گزشتہ سال 0.67 پیسے تھا۔ سال کے لئے بعد از ٹیکس نقصان 242.236 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال 212.567 ملین روپے تھا۔ زیر جائزہ سال کے دوران پیداوار نہ ہونے کے وجہ سے نقصانات ناگزیر تھے۔ ابھی تک کمپنی ورکنگ کیپٹل نہ ہونے کی وجہ سے پیداوری سرگرمیاں شروع نہ کر سکی۔ جیسا کہ اوپر بتایا گیا ہے کہ کمپنی نے سرمایہ کاری کے لئے رائٹ کے علاوہ حصص کے اجراء کی منظوری ایس ای سی پی (SECP) سے حاصل کر لی ہے اور انتظامیہ سنڈیکیٹ قرض دہندگان کے ساتھ قرض کے تصفیے کو حل کرنے کے عمل میں ہے، ایک بار جب یہ مسائل حل ہو جائیں گے تو کمپنی اپنے تجارتی آپریشن کو دوبارہ شروع کرنے کی پوزیشن میں ہوگی۔ آج تک کمپنی اس پوزیشن میں نہیں ہے کہ وہ اپنے حصص یافتگان کے لئے اضافی حصص یا ڈیویڈنڈ کا اعلان کر سکے۔

آپریشنل کارکردگی

بد قسمتی سے کمپنی مناسب ورکنگ کیپٹل کی عدم دستیابی کی وجہ سے سال کے دوران اپنا آپریشن دوبارہ شروع نہ کر سکی۔ کمپنی دوبارہ آپریشن شروع کرنے کے لئے سنڈیکیٹ بنکوں کے ساتھ قرضوں کے تصفیے کو حل کرنے کے عمل میں ہے، جیسا کہ اوپر بتایا گیا ہے۔

رسک مینجمنٹ

کمپنی نے رسک مینجمنٹ کا ڈھانچہ تیار کیا ہے جس کا مقصد کمپنی کی پائیدار ترقی کو آگے بڑھانا اور تیزی سے خطرے کی توقع اور تخفیف کرتے ہوئے انتظام کو مستحکم کرنا ہے۔ کاروبار سے متعلق خطرات سے نمٹنے کے لئے رسک مینجمنٹ ہر ایک محکمے کے لئے ایک کردار کی وضاحت کرتی ہے جو مناسب اقدامات کرنے اور اپنی خود مختار رسک مینجمنٹ سرگرمیوں کو فروغ دینے کے لئے ذمہ دار ہے۔

وعدوں میں مادی تبدیلیاں

کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے مالی سال کے اختتام اور رپورٹ کے درمیان نہیں ہوئے جس سے اس بیلنس شیٹ کا تعلق ہے۔

مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال

اگرچہ گزشتہ سال مجموعی طور پر اسٹیل کی تعمیراتی صنعت کے لئے اچھا نہیں رہا تاہم معاشی میں بہتری کے ساتھ ہم اسٹیل کی طلب کو بڑھانے کے لئے تعمیراتی سرگرمیوں میں اضافہ کی توقع کرتے ہیں۔ ہم یہ بھی توقع کرتے ہیں کہ معاشی بہتری متعدد غیر ملکی مالی اعانت سے چلنے والے منصوبے شروع کرنے کے قابل بنائے گی۔ اسٹیل کے لئے طویل مدتی نقطہ نظر مثبت رہتا ہے کیونکہ پاکستان جیسی ترقی پزیر معیشتیں، نوجوان اور بڑھتی ہوئی آبادی کے ساتھ، ترقی جاری رکھنے کے لئے عوامی بنیادی ڈھانچے میں بڑی سرمایہ کاری کی ضرورت ہے۔ ملک کا آبادیاتی پروفائل بتاتا ہے کہ معیشت کو اس آبادی کی ضروریات کو پورا کرنے کے لئے ہاؤسنگ، توانائی، آٹوموبائل اور سفید سامان میں زیادہ سرمایہ کاری 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 بڑھائے گی۔

طلب اور رسد کے درمیان فرق کو مد نظر رکھتے ہوئے اس بات کے روشن امکانات ہیں کمپنی مستقبل قریب میں پلانٹ کے کام دوبارہ شروع کرنے کے بعد منافع کمانے کے قابل ہو جائیگی۔

اندرونی مالیاتی کنٹرول

اگرچہ گزشتہ سا کمپنی کے اندر ہر سطح پر مضبوط اندرونی مالیات کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ داخلی کنٹرول کا نظام کمپنی کے مقاصد کے حصول، آپریشنل تاثیر اور کارکردگی، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ڈیزائن میں درست ہے۔

مالیاتی بیانات

کمپنی کے مالیاتی گوشواروں کا مکمل آڈٹ کیا گیا ہے اور کمپنی کے آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے دستخط کئے ہیں اور ان کی رپورٹ مالیاتی گوشواروں کے ساتھ منسلک ہے۔ آڈیٹرز نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے اپنی آڈٹ رپورٹ میں منفی رائے کا اظہار کیا ہے۔ اہلیت اور تحفظات پر ہمارے پیرا اور تبصرے درج ذیل ہیں۔

نمبر	ریزرویشن / اہلیت	جوابات
01	جیسا کہ نوٹ 2 میں بتایا گیا ہے کہ کمپنی کا خالص نقصان	جیسا کہ اوپر والے پیرا گراف نمبر 2 سے 5 میں بتایا گیا ہے اور مالی بیانات کے نوٹ نمبر 37 میں بھی ذکر کیا گیا ہے، کمپنی نے ممکنہ سرمایہ کار

<p>کو مزید حصص کیپٹل جاری کیا ہے اور تجارتی پیداوار شروع کرنے کے بعد سنڈیکٹ بینکوں کے ساتھ تصفیہ عمل میں ہے۔ انتظامیہ کو امید ہے کہ ان سے ان تمام عوامل میں کمی آئے گی۔</p>	<p>نقصانات 2,005.083 ملین روپے کے ہیں۔ کمپنی کی واجب الادا موجودہ ذمہ داریاں اس کے موجودہ اثاثوں سے 1495.072 ملین روپے تجاوز کر گئی ہیں اور کمپنی کے کل لیکویڈیٹی اثاثہ جات 1521.918 ملین روپے کے ہیں۔ کمپنی کو طول عرصے سے واجب الادا وصولیوں، ناموفق کلیدی مالیاتی تناسب، بنکوں کے ساتھ قرض کے معاہدے کی شرائط کی تعمیل کرنے اور مقررہ تاریخ پر قرض دہندگان کو ادائیگی کرنے میں دشواری کا سامنا ہے۔ کمپنی بینکرز کے ساتھ سنڈیکٹ کی ذمہ داری کے تحت دیفالٹ میں ہے کیونکہ وہ سال کے دوران چار اقساط میں سے کوئی بھی ادا نہیں کی جس کی کل رقم 163.015 ملین روپے ہے۔ اس نے 2019 سے اپنی تجارتی پیداوار بند کر دی ہے اور ورکنگ کیپٹل 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 لئے مستقبل کے کسی منصوبے کا اشتراک نہیں کیا۔ 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 کوششوں 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>چونکہ کمپنی نے 2019 سے ورکنگ کیپٹل کی عدم دستیابی کی وجہ سے اپنی پیداواری سرگرمیاں روک دی ہیں، اس لئے تمام بینک غیر فعال بتائے گئے ہیں اور کمپنی نے چار سال سے زیادہ عرصے سے استعمال نہیں کئے</p>	<p>ہمیں اپنے 17 میں سے 11 خطوط کا جواب نہیں ملا جس میں بینکوں سے 0.082 ملین روپے کی تصدیق کی درخواست کی گئی تھی۔ مزید یہ کہ انتظامیہ کہ جانب سے 17 میں سے 16 بینکوں کے اسٹیٹمنٹ</p>	02

<p>ہیں۔ تاہم بیلنس کی تصدیق اور تمام فعال بینک اکاؤنٹس کے بینک اسٹیٹمنٹس فراہم کئے گئے ہیں۔</p>	<p>بھی فراہم نہیں کئے گئے، لہذا، مناسب اور مطلوبہ ثبوتوں کی عدم دستیابی کے باعث ہم کسی بھی قسم کی ایڈجسٹمنٹ کرنے سے قاصر رہے ہیں۔</p>	
<p>بینکوں نے ریکوری سوٹ دائر کیا ہے، کیونکہ معاملہ زیر سماعت ہے بیلنس کی تصدیق حاصل نہیں کی گئی۔ کمپنی سنڈیکٹ بینکوں کے ساتھ تنظیم نو کے لئے تصفیہ کے عمل میں ہے اور کیونکہ سنڈیکٹ بینکوں کے ساتھ ادائیگیاں سالوں میں کی جائیں گی تو کمپنی نے اپنی طویل مدتی ذمہ داریوں کو موجودہ واجبات میں درجہ بندی نہیں کیا۔ بینکوں کے ساتھ تصفیہ کے بعد کمپنی ادائیگیاں جاری رکھے گی۔</p>	<p>793.815 ملین روپے کا تویل المدت قرض (LTF) جس پر منجمد مارک اپ 614.940 ملین ہے اور زائد المیاد مارک اپ کی رقم 591.743 ملین ہے اور دوران سال کا مارک اپ 177.171 ملین ہے جیسا کہ نوٹ 18، 19، 22 اور 27 میں بتایا گیا ہے تاحال غیر مصدقہ رہا ہے۔ مزید یہ کہ کمپنی نے طویل مدتی فنانسنگ کے معاہدوں کی خلاف ورزی کی ہے اور IAS-1 (مالی کھاتوں کی پیشکش) کی ضرورت کے مطابق اپنی طویل مدتی فنانسنگ کو موجودہ ذمہ داریوں میں درجہ بندی نہیں کیا جو کہ بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ سے علیحدگی ہے۔ مزید یہ کہ 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 ہے۔ لہذا، اعداد و شمار کا تعین نہیں کیا جاسکا۔</p>	03
<p>تجارتی قرض دہندگان کی غیر منظم نوعیت کی وجہ سے، ان میں سے زیادہ تر تک رسائی و انتظامات نہ ہو سکا تھا۔</p>	<p>بیلنس کی تصدیق کا جواب تاحال نہیں دیا گیا یہ کہ "تجارتی قرضہ جات" معاہداتی واجبات "طویل المدت سکیورٹی کی رقم کی ادائیگیاں" اور "سپلائرز و دیگر سرگرمیاں" جن کی بابت رقم مبلغ 2.500 ملین، 0.119 ملین، 40.521 ملین، 17.922 ملین اور 0.639 ملین روپے ہے۔ ہم خود کی منجانب کمپنی کسی بھی متبادل ذرائع سے مطمئن کرنے سے قاصر رہے۔</p>	04
<p>کمپنی کی انتظامیہ نے کمپنی کے اثاثوں کی تازہ تشخیص 2024 میں کی ہے اور انتظامیہ کی رائے میں کوئی ایسے عوامل موجود نہیں ہیں جن کے لئے جائیداد، پلانٹ اور مشنری کی خرابی کی جانچ کی ضرورت ہو۔ کمپنی کا خیال ہے کہ پلانٹ اور مشنری خرابی کا شکار نہیں۔</p>	<p>کمپنی نے IAS 36 کے تحت 30 جون 2024 تک اپنی جائیداد، پلانٹ اور آلات (نوٹ 6) کی خرابی کی جانچ نہیں کرائی۔ اثاثوں کی خرابی جو کہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات سے کمپنی کو خارج کرتی ہے۔ ہم سمجھتے ہیں کہ سال</p>	05

	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۔	
06	ہمیں 3 قانونی مشیروں اور کنسلٹنٹس سے تصدیق موصول نہیں ہوئیں۔ قانونی مشیروں اور کنسلٹنٹس سے تمام تصدیقات زیر التواء قانونی چارہ جوئی کی فہرست کی عدم موجودگی میں نوٹ 24 میں ظاہر کئے گئے ہنگامی حالات کی تکمیل پر تبصرہ نہیں کیا جاسکتا۔	کمپنی نے آڈٹ کے دوران تصدیق اپنے قانونی مشیروں کو بھیجی تھی لیکن ان کی طرف سے تصدیقی جواب آڈیٹرز کو موصول نہیں ہوئے۔
07	کمپنی نے پنجاب ایمپلائز سوشل سیکیورٹی انسٹی ٹیوشن اور ایمپلائز اولڈ ایج انسٹی ٹیوشن کی واجب الادا رقم، ود ہولڈنگ ٹیکس کی کٹوتی اور جمع کرنے کے حوالے سے تقاضوں کی مناسب تکمیل نہیں کی۔ متعلقہ قوانین کی متعلقہ دفعات کی عدم تعمیل کی وجہ سے نہ تو طے شدہ جرمانے یا سرچارج کے نتیجے میں ہونے والے اثرات کا اندازہ لگایا گیا ہے اور نہ ہی ان کا انکشاف ان مالیاتی گوشواروں میں کیا گیا ہے جیسا کہ IAS-1 کے مطابق اس کی ضرورت ہے۔	بنیادی کاروباری سرگرمیاں 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 پنجاب ایمپلائز سوشل سیکیورٹی انسٹی ٹیوشن اور ایمپلائز اولڈ ایج انسٹی ٹیوشن کے کھاتوں میں درج کیا گیا ہے۔ جیسے ہی کمپنی مالی طور پر مستحکم ہوگی تمام واجبات ادا کر دئے جائیں گے۔
08	کمپنی نے انڈسٹریل انڈ کمرشل ایمپلائمنٹ (اسٹینڈنگ آرڈیننس) آرڈیننس 1968 کے تحت قابل ادائیگی گریجویٹی کا تعین کرنے کے لئے IAS 19 ملازمین کے فوائد کی شق کی پیروی نہیں کی۔ جیسا کہ مالیاتی گوشواروں کے نوٹ 20 میں وضاحت کی گئی ہے، عدم تعمیل کے اثرات کی مقدار درست نہیں جانچی جاسکتی۔	بنیادی سرگرمیاں نہ چلانے اور محکمہ ہیومن ریسورس سمیت بڑے عہدوں پر ملازمین کی برطرفی 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 جائیگا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز نوارا کین پر مشتمل ہے، جس میں مختلف قسم کے ڈائریکٹرز کی قانونی نمائندگی ہوتی ہے جس میں ایک آزاد ڈائریکٹر، نان ایگزیکٹو ڈائریکٹر،

ایگزیکٹو ڈائریکٹر شامل ہیں جیسا کہ لسٹڈ کمپنیز مالیاتی کوشاؤوں کا مکمل آڈٹ کیا (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں مطلوب ہے۔ اہم انتظامی معاملات کے حوالے سے حکمت عملی کے فیصلے بشمول اہم کاروباری سرگرمیوں کی انجام دہی اور قانون کے ذریعے تجویز کردہ دیگر معاملات طے کرنے کے لئے ذمہ دار ہیں۔ یہ فیصلے طے شدہ معیارات کے مطابق معاملات پر غور و فکر کرنے کے بعد کئے جاتے ہیں: خطرات کا اندازہ لگانا اور زمینی حقائق کو مد نظر رکھنا۔ بورڈ طرز عمل کے رہنما خطوط کی نگرانی کے لئے بھی ذمہ دار ہے۔

آڈیٹرز

کمپنی کے آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے کمپنی کے مالیاتی کوشاؤوں اور کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کے بیان کا آڈٹ مکمل کر لیا ہے اور 21 ویں سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔

آڈٹ فرم کوانٹسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی 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۔ جیسا کہ ICAP نے اپنایا ہے۔ 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 2025 کو ختم ہونے والے مالی سال کے لئے ان کی دوبارہ تقرری کی سفارش کرتی ہے جس پر چیف ایگزیکٹو کی طرف سے شرائط اور معاوضے پر بات چیت کی گئی ہے۔

چیئر مین کا جائزہ

چیئر مین کا جائزہ 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے ڈائریکٹرز جائزے کے مندرجات کی توثیق کرتے ہیں۔

شیئر ہولڈنگ کا نمونہ

30 جون 2024 تک شیئر ہولڈنگ کا پٹرن الگ سے منسلک ہے۔

اعتراف

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

بورڈ آف ڈائریکٹرز کی جانب سے۔

نعیم انور
ڈائریکٹرز

سہیل الہی
چیف ایگزیکٹو آفیسر

لاہور: 05 نومبر 2024

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 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

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	18	The Board of Directors does not have a female director.
3	19	Six out of total nine directors, do not have the required Directors' Training Program (DTP) certification.
4	19	The head internal auditor does not possess requisite qualification according to the Regulations. Further no new appointments of company secretary and chief financial officer were made during the year.
5	19	The Company has not posted on their website the key elements of its significant policies, brief synopsis of TORs of the Board of Directors' committees and key elements of directors' remuneration policy.

Rahman Sarfaraz

Rahman Sarfaraz Rahim Iqbal Rafiq,

Chartered Accountants

Engagement partner: Adnan Rasheed

Lahore 05 NOV 2024

UDIN:CR202410701DOtpquidm

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS) FOR THE YEAR ENDED 30 JUNE 2024

Dost Steels Limited (the Company) has complied with the requirements of the Regulations, in the following manner:

1. The total number of directors are Nine (9) as per the following:
 - a. Male: 09
 - b. Female: 0
2. The composition of the Board of Directors (the Board) is as follows:

Category	Name of Directors
Independent Directors	Mr. Murtaza Hussain Mr. Shahab Mahboob Vora
Non-Executive Directors	Mr. Naira Anwar (Chairman) Mr. Jamal Iftakhar Mr. Zahid Iftakhar Mr. Mian Abuzar Shad Mr. Asim Jilani (Nominee of Faysal Bank Limited) Mr. Muhammad Shakeel (Nominee of National Bank of Pakistan)
Executive Director	Mr. Suhail Elahi, Chief Executive Officer (CEO)
Female Director	-

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it through the Company along with its supporting policies and procedures;
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their dates of approval or updating a maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these regulations;



7. The meetings of the Board were presided over by the Chairman and, in his absence, by director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recordings and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations;
9. Presently, two directors have 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 six directors;
10. The Board has approved the appointment of the head of internal audit, Chief Financial Officer (CFO), company secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. During the year Chief Financial Officer (CFO) and company secretary (position held by same person) resigned. However no new appointments of CFO and company secretary were made during the year. Further, the head of internal audit does not meet the qualification criteria given in regulation 23;
11. The CFO and CEO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Murtaza Hussain (Chairman)
Mr. Mian Abuzar Shad (Member)
Mr. Jamal Iftakhar (Member)

HR and Remuneration Committee

Mr. Murtaza Hussain (Chairman)
Mr. Mian Abuzar Shad (Member)
Mr. Jamal Iftakhar (Member)

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

- a) **Audit Committee:** (5 meetings held during the year)
- b) **HR and Remuneration committee:** (1 meeting held during the year)

15. The Board has set up an effective internal audit function, led by head of internal audit who is not considered suitable qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company has confirmed that they have been given a satisfactory rating under the Quality 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) guideline 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 CEO, CFO, 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 expect in accordance with the Act, the 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 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).
2	7	No female director has been appointed on the Board, as against the requirement of at least one female director.

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	Regulations Ref. no	Requirement	Explanation for Non-compliances
4	35	The Company may post on their website the key elements of its significant policies, brief synopsis of TORs of the 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.
5	10 A	Role of the Board and its members to address Sustainability Risks and Opportunities.	During the year, the Securities and Exchange Commission of Pakistan issued certain amendments of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated 12 June 2024 and added a new Regulation 10A. Currently, the Management is assessing these amendments and compliance thereof, as applicable, will be performed in due course.
9.	19	By 30 June 2022, all the directors on the Board should have acquired the prescribed certification under any DTP	Dost Steels Limited being a responsible and compliant company has already arranged DTP in the past for directors and



		offered by the institutions, local or foreign that meet the criteria specified and approved by the Commission.	plans to do the same in the future as soon as it overcomes 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. Further, a listed company shall have CFO and company secretary having requisite qualification and experience.	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, CFO and company secretary.
12	29(1)	Nomination Committee - The Board may constitute a separate Committee, designated as the nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has not formed the Nomination Committee as the responsibility of this Committee is being taken care of at the Board level currently. Therefore, a need for separate formation of this Committee does not exist.
13	30(1)	Risk Management Committee- The Board may constitute the risk management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not formed the Risk Management Committee as the responsibility of this Committee is being taken care of at the Board level currently. The Board intends to constitute Risk Management Committee when the Board is reconstituted.

For and behalf of the Board
Dost Steels Limited



Naim Anwar
Chairman





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 2024**, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, 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 2024**, and of the loss and other comprehensive income, 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. 242.236 million and its accumulated losses are Rs. 2,005.083 million. The current liabilities of the Company exceed its current assets by Rs. 1,495.073 million and liquid assets by Rs. 1,521.919 million. The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of loan agreements 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. 163.015 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. We did not receive response to 11 out of 17 of our letters requesting for confirmations from banks amounting to Rs. 0.082 million. Further bank statements of 16 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; 



3. The syndicate long term finance (LTF) of Rs. 793.815 million, markup accrued (frozen) thereon of Rs. 614.940 million, accrued markup of LTF of Rs. 591.743 million and markup charged during the year of Rs. 177.171 million as disclosed in note 18, 19, 22 and 27 respectively, remained unconfirmed. Further the Company has breached the covenants of the LTF and as per the requirement of IAS 1 (Presentation of Financial Statements), has not classified its long term financing into current liabilities, which constitute a departure from the International Financial Reporting Standards (IFRS). Moreover, the Company has discontinued payment of installments on the syndicate loan, however no information regarding consequent default penalty or additional markup is incorporated into the financial statements, or made available to us. Therefore, accuracy of the figures could not be ascertained;
4. Balance confirmation requests have remained unresponded to in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 2.500 million, Rs. 0.119 million, Rs. 40.521 million, Rs. 17.922 million and Rs. 0.639 million respectively. We were unable to satisfy ourselves by alternative means;
5. The Company has not conducted impairment testing of its property, plant and equipment (note 6) as on 30 June 2024 under IAS 36, Impairment of Assets which constitute a departure from IFRS. 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 is not determined;
6. We did not receive any confirmation from 3 legal advisors and consultants of the Company. In absence of all confirmations from legal advisors and consultants and list of pending litigations, completeness of contingencies as disclosed in note 24 cannot be commented upon;
7. 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 also not been quantified and disclosed in these financial statements.;
8. 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 20 to the financial statements consequently the impact of the noncompliance 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 16 and 15 to the financial statements, that describes the issuance of ordinary shares other than right shares by the Company during the year, with the approval of the board of directors, SECP and



PSX with face value of Rs. 1,289,617,170 comprising of 128,961,717 ordinary shares of Rs. 10 each at a discounted price of Rs. 4.07 per share as other than right shares. Our opinion is not modified in respect of 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 matters described in the **Basis for Adverse Opinion** section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter (KAM)	How the matter was addressed in our audit
Expected Credit Loss (ECL)	
<p>The Company has a significant balance of trade debts amounting to Rs. 19.470 million. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECL) as disclosed in note 11 with related policies in 3.5, 5.5 and 5.15.4.</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 described in the **Basis for Adverse Opinion** section of our report, we have concluded that the other information is materially misstated for the same reasons.

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 described in **Basis for Adverse Opinion** section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) because of the effects of the matters described in **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 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was 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: **05 NOV 2024**

UDIN: AR202410701Tu0Kh18mJ

DOST STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,507,457,041	2,521,484,066
Intangible assets	7	1,000	1,000
Long term security deposits	8	40,521,445	40,521,445
Deferred tax assets	9	-	-
		2,547,979,486	2,562,006,511
CURRENT ASSETS			
Stores and spares		26,845,775	26,845,775
Stock in trade	10	-	-
Trade debtors	11	-	-
Advances	12	672,594	1,261,739
Taxes recoverable/ adjustable	13	16,770,258	14,598,053
Cash and bank balances	14	914,217	129,114
		45,202,844	42,834,681
TOTAL PROPERTY AND ASSETS		2,593,182,330	2,604,841,192
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	4,446,955,770	3,157,338,600
Discount on issue of shares	16	(2,130,224,462)	(1,365,481,480)
Revenue reserve			
Accumulated loss		(2,005,082,741)	(1,762,846,818)
		311,648,567	29,010,302
NON-CURRENT LIABILITIES			
Advance for issuance of shares - unsecured	17	3,829,952	358,100,019
Long term borrowings - secured	18	96,366,221	291,983,243
Markup accrued on secured borrowings	19	614,940,264	614,940,264
Deferred liabilities	20	26,121,680	25,301,017
		741,258,117	1,290,324,543
CURRENT LIABILITIES			
Trade and other payables - unsecured	21	46,907,433	43,366,038
Accrued markup	22	591,743,197	414,572,672
Short term borrowings - unsecured	23	204,176,534	325,736,177
Current and overdue portion of long term borrowings	18	697,448,482	501,831,460
Provision for taxation		-	-
		1,540,275,646	1,285,506,347
CONTINGENCIES AND COMMITMENTS	24	-	-
TOTAL EQUITY AND LIABILITIES		2,593,182,330	2,604,841,192

The annexed notes 1 to 39 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 2024

	Note	2024 Rupees	2023 Rupees
Sales		-	-
Cost of sales	25	(52,468,778)	(45,646,282)
Gross loss		(52,468,778)	(45,646,282)
Administrative and selling expenses	26	(30,788,542)	(12,257,899)
Finance cost	27	(177,220,020)	(154,666,232)
Other operating income	28	18,241,417	3,188
Loss before taxation		(242,235,923)	(212,567,225)
Taxation	29	-	-
Loss for the year		(242,235,923)	(212,567,225)
OTHER COMPREHENSIVE INCOME- NET OF INCOME TAX			
Items that will not be reclassified subsequently to the statement of profit or loss		-	-
Items that will be reclassified to the statement of profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(242,235,923)	(212,567,225)
Loss per share - basic and diluted	30	(0.65)	(0.67)

The annexed notes 1 to 39 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 2024

	Share capital	Discount on issue of shares	Revenue reserve	Total
			Accumulated loss	
----- Rupees -----				
Balance as at 01 July 2022	3,157,338,600	(1,365,481,480)	(1,550,279,593)	241,577,527
Total comprehensive loss:				
Loss for the year	-	-	(212,567,225)	(212,567,225)
Other comprehensive income 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
Shares issued during the year:				
Issuance of 128,961,717 ordinary shares of Rs. 10 each by other than right issue	1,289,617,170	-	-	1,289,617,170
Discount on issue of ordinary shares other than right issue	-	(764,742,982)	-	(764,742,982)
	1,289,617,170	(764,742,982)	-	524,874,188
Total comprehensive loss:				
Loss for the year	-	-	(242,235,923)	(242,235,923)
Other comprehensive income for the year	-	-	-	-
	-	-	(242,235,923)	(242,235,923)
Balance as at 30 June 2024	4,446,955,770	(2,130,224,462)	(2,005,082,741)	311,648,567

The annexed notes 1 to 39 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 2024

	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(242,235,923)	(212,567,225)
Adjustments for non-cash and other items:		
Depreciation	14,027,025	15,665,919
Finance cost	177,220,020	154,666,232
Provision for gratuity	820,664	820,662
Reversal of allowance for expected credit loss	(18,238,950)	-
Profit on bank deposit accounts	(2,467)	(3,188)
	<u>173,826,292</u>	<u>171,149,625</u>
Operating cash flows before working capital changes	(68,409,631)	(41,417,600)
(Increase)/ decrease in current assets:		
Advances	589,144	(20,000)
Taxes recoverable/ adjustable	(2,172,205)	(4,541,371)
Increase/ (decrease) in current liabilities:		
Trade and other payables	3,541,395	(5,803,258)
	<u>1,958,334</u>	<u>(10,364,629)</u>
Cash used in operations	(66,451,297)	(51,782,229)
Finance cost paid	(49,495)	(10,469)
Net cash flows used in operating activities	(66,500,792)	(51,792,698)
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposit accounts	2,467	3,188
Net cash flows generated from investing activities	2,467	3,188
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings-unsecured-net	(103,320,693)	51,800,881
Issuance of ordinary shares other than right issue- net of advance for issuance of shares	170,604,121	-
Net cash flows generated from financing activities	67,283,428	51,800,881
Net increase in cash and cash equivalents during the year	785,103	11,371
Cash and cash equivalents at the beginning of the year	129,114	117,743
Cash and cash equivalents at the end of the year	914,217	129,114

14

The annexed notes 1 to 39 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 2024

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 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, I-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. 242.236 million (2023: Rs. 212.567 million) and its accumulated losses are Rs. 2,005.083 million (2023: Rs. 1,762.847 million). The current liabilities of the Company exceeds its current assets by Rs. 1,495.073 million (2023: Rs. 1,242.672 million) and liquid assets by Rs. 1,521.919 million (2023: 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 24.1).

The Company has issued 128,961,717 shares to new investors during the year at a discounted price of Rs 4.07 per share, as detailed in note 15 and 16, to provide the required working capital. Further, the Company is in process of negotiating with syndicate consortium to arrange for working capital required to resume commercial production. 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 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.

3.2 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance suggests taxes paid under final OR minimum (as applicable) tax regime to be shown separately as a levy instead of showing it in current tax.

3.3 Presentation

These financial statements are presented in Pak Rupees, which is also the Company's functional currency. Figures have been rounded to the nearest Pak Rupee, unless otherwise stated.



3.4 Reclassification and rearrangements

Corresponding figures have been reclassified and rearranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. Appropriate disclosures are given in relevant notes in case of material reclassifications and rearrangements.

3.5 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 5.5).

- 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 5.20).

4 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:

- IAS-1 - Presentation of financial statements - Amendments regarding the classification of debt with covenants.
- IAS-1 - Presentation of financial statements - Amendments regarding the classification of liabilities.
- IAS-7 - Statement of cash flows - Amendments regarding supplier finance arrangements.
- IFRS-7 - Financial Instruments - Amendments regarding supplier finance arrangements.
- IFRS-16 - Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.

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

The following standards (revised or amended) and interpretations became effective for the annual periods beginning on or after the mentioned dates but are either not relevant or do not have any material effect on the financial statements of the Institute other than increased disclosures in certain cases:

- IFRS 7 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).



- IFRS 9 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).

- IFRS 17 - Insurance Contracts - (initial application on Annual periods beginning on or after 1 January 2026).

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 18 – Presentation and Disclosure in Financial Statements.

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

- IFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information.

- IFRS S2 – Climate-Related Disclosures.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted disclosure of Accounting Policies (narrow-scope Amendments to IAS-1 and IFRS practice statements 2 "Making Materiality Judgements") from 01 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 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 loss, 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 6.

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 is 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.

5.2 Intangibles

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, 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/ derecognised.

5.3 Stores and spares

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

5.4 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 |



5.5 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 delivered.

5.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

5.7 Share capital, reserves and profit distribution

Share capital represents the face value of ordinary shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Right shares are issued at a discount with the approval of board of directors, the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX).

Retained earnings/ accumulated loss include all current and prior period retained profits/ losses.

Profit distribution to the shareholders is recognized in the period in which it is approved.

5.8 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 loss, if any.

5.9 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.

5.10 Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

5.11 Taxation

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

5.11.1 Current tax

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.11.2 Deferred tax

Deferred tax is provided using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using the current rates of taxation. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged to income except in case of items credited or charged to equity in which case it is included in the equity.

5.11.3 Levies

Tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid/ payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/ IAS 37.



5.12 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.

5.13 Revenue recognition

Revenue arises mainly from the sale of steel, reduced iron, sponge iron, hot briquetted iron, carbon steel, pig iron, special alloy steel in different forms, shapes and sizes, and is measured according to IFRS-15 (Revenue from Contracts with Customers) at the fair value of the consideration received or receivable as defined in sales contract, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account.

5.13.1 Sale of goods

Revenue is recognized when control of a promised goods passes to a customer at a specific point in time. The customer obtains control of the goods when the goods are delivered to customers and in very few cases when goods are handed over to the customers i.e. ex-factory, in case of local sales. Further in case of export sale, control is transferred when goods are loaded on vessels.

5.14 Interest income

Interest income is recognised as it accrues under the effective interest method.

5.15 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

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.

5.15.1 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.

5.15.2 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.

5.15.3 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.

5.15.4 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.



5.16 Impairment of other assets

The carrying amounts of the assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset or group of assets is estimated and impairment losses are recognized in the statement of profit or loss.

5.17 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 and priced at comparable uncontrolled market price. However, loan from the related parties are unsecured and interest free.

5.18 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.

5.19 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.

5.20 Staff retirement benefit

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all permanent employees of the Company who have completed minimum qualifying period. Provisions are made annually to cover the obligation and charged to the statement of profit or loss, based on actuarial valuation by using the projected unit credit method. Actuarial gains and losses are recognized immediately in other comprehensive income and past service cost is recognized immediately to the statement of profit or loss.



6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	OWNED							Total
		Building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipments	Electric equipments	Computer equipments	
		Rupees							
Year ended 30 June 2024									
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	-	(113,067,843)	(4,481,784)	(3,353,564)	(760,517)	(1,306,906)	(7,861,510)	(4,795,805)	(135,627,929)
	157,876,220	119,478,759	2,226,268,945	455,735	76,983	621,396	2,403,264	275,739	2,507,457,041
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)
	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
Year ended 30 June 2024									
Opening net book value	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
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	(13,275,418)	-	(80,424)	(19,244)	(109,658)	(424,106)	(118,175)	(14,027,025)
Depreciation charged	-	-	-	-	-	-	-	-	-
	157,876,220	119,478,759	2,226,268,945	455,735	76,983	621,396	2,403,264	275,739	2,507,457,041
Year ended 30 June 2023									
Opening net book value	157,876,220	147,504,641	2,226,268,945	630,776	120,285	860,054	3,326,320	562,734	2,537,149,985
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	(14,750,464)	-	(94,617)	(24,058)	(129,010)	(498,950)	(168,820)	(15,665,919)
Depreciation charged	-	-	-	-	-	-	-	-	-
	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
Depreciation rate	-	10%	Units of production basis	15%	20%	15%	15%	30%	-

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

	2024	2023
	Rupees	Rupees
Cost of sales	25	13,775,250
Administrative and selling expenses	26	251,775
		14,027,025
		15,665,919

6.2 Freehold land includes land having area of 326 kanal and 12 marla, situated at 52 Km, Mullan 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 Deh Kalo Kohar, Tapo Kalo Kohar, Taluka Thano Bula Khan, District Jamshoro, Sindh.

6.3 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	2024 Rupees	2023 Rupees
7 INTANGIBLE ASSETS			
Computer software			
Cost			
At the beginning of the year		1,111,350	1,111,350
Addition during the year		-	-
Balance as at 30 June		1,111,350	1,111,350
Accumulated amortization			
At the beginning of the year		(1,110,350)	(1,110,350)
Amortization charge for the year	26	-	-
Balance as at 30 June		(1,110,350)	(1,110,350)
Written down value as at 30 June		1,000	1,000
7.1 The Company amortizes intangible asset on a straight line basis over the period of useful life @ 30%.			
7.2 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.			
8 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
9 DEFERRED TAX ASSETS			
9.1 The Company has not recognised deferred tax asset amounting to Rs. 55,095,043 (2023: Rs. 138,897,807) 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.			
10 STOCK IN TRADE			
Raw material		4,781,225	4,781,225
Less: Provision for obsolete raw material		(4,781,225)	(4,781,225)
		-	-
11 TRADE DEBTORS			
- Unsecured			
Trade debtors		19,469,715	37,708,665
Allowance for expected credit loss	11.1	(19,469,715)	(37,708,665)
		-	-
11.1 Allowance for expected credit loss			
Opening balance		37,708,665	45,218,980
Reversal/ written off during the year		(18,238,950)	(7,510,315)
Closing balance		19,469,715	37,708,665
12 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	12.1	638,965	1,208,110
Letters of credit	12.2	-	-
Margin against letters of credit		9,229	9,229
		672,594	1,261,739
12.1 Advances for supplies/ services		638,965	1,208,110
Provision against doubtful advances:			
Opening balance		-	750,000
Bad debts written off		-	(750,000)
Closing balance		-	-
		638,965	1,208,110
12.2 Advances against letters of credit		3,631,900	3,631,900
Provision against letters of credit		(3,631,900)	(3,631,900)
		-	-
13 TAXES RECOVERABLE/ ADJUSTABLE			
Advance income tax		10,045,418	9,506,891
Input sales tax		6,724,840	5,091,162
		16,770,258	14,598,053
14 CASH AND BANK BALANCES			
Cash in hand		265,433	4,655
Cash at banks:			
- Current accounts	14.1 and 14.2	619,890	97,620
- Deposit accounts		28,894	26,839
		648,784	124,459
		914,217	129,114



- 14.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 3,697/- (2023: Rs. 3,188/-). Management of the Company as per arrangement can't withdraw amounts once deposited in this bank account.
- 14.2 These carry profit at the rates ranging from 15.00% to 21.00% (2023: 9.00% to 20.00%) per annum.

	Note	2024 Rupees	2023 Rupees
15 SHARE CAPITAL			
		30 June 2024	30 June 2023
		Number of Shares	
Authorized share capital		445,000,000	360,000,000
		Authorized share capital of Rs. 10 each	
		4,450,000,000	3,600,000,000
Issued, subscribed and paid-up capital			
		444,695,577	315,733,860
		Ordinary share of Rs.10 each each fully paid in cash	
	15.1	4,446,955,770	3,157,338,600
15.1 It includes 114,266,205 (2023: 84,166,705) ordinary shares of Rs.10 each amounting to Rs. 1,142,662,050 (2023: Rs. 841,667,050) held by related parties.			
15.2 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.			
15.3 The Company has not reserved shares for issue under options or sale contracts.			
15.4 Reconciliation of issued, subscribed and paid-up capital is as follows:			
Opening balance: 315,733,860 (2023: 315,733,860) ordinary shares of Rs. 10 each		3,157,338,600	3,157,338,600
Issuance of 128,961,717 ordinary shares of Rs. 10 each by other than right issue	17.2	1,289,617,170	-
		4,446,955,770	3,157,338,600
16 DISCOUNT ON ISSUE OF SHARES			
Discount on issue of right shares	16.1	1,365,481,480	1,365,481,480
Discount on issue of shares other than right shares	16.2	764,742,982	-
		2,130,224,462	1,365,481,480
16.1 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. 5.50 per share in the financial year ended 2017.			
16.2 The Company issued ordinary shares other than right with the approval of the board of directors, SECP and PSX with face value of Rs.1,289,617,170 comprising of 128,961,717 ordinary shares of Rs. 10 each at a discounted price of Rs. 4.07 per share in the financial year ended 2024.			
17 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED			
From Crescent Star Insurance Limited and its assignees	17.1 and 17.2	8,999	354,279,066
From directors	17.1	3,820,953	3,820,953
		3,829,952	358,100,019
17.1 The Company had received an unconditional advance against issuance of shares from Crescent Star Insurance Limited (CSIL), associated company, and directors of the Company which are to be adjusted against further issue of shares by the Company whenever made. These amounts are unsecured and interest free.			
17.2 In the previous years, CSIL had assigned an 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 of Directors of the Company (the Board) on February 27, 2019. Subsequently due to non-settlement of the 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. Furthermore, CSIL and DCL agreed to assign the advance for issue of shares to a group of investors led by Mr. Khawaja Shahzeb Akram. 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 the 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 Rs. 524,874,188 (the Consideration) by way of other than right shares. The Consideration was adjusted against advance from CSIL and its assignees amounting to Rs. 354,270,067. During the year, funds against issuance of shares have been received from the new investors in the Company's bank account amounting to Rs. 170,604,121.			
18 LONG TERM BORROWINGS - SECURED			
From banking companies and financial institutions			
Term finance - restructured facilities			
Opening balance	18.1	793,814,703	793,814,703
Paid during the year		793,814,703	793,814,703
		(195,617,022)	(163,014,185)
Less: Current portion	18.1.1	(501,831,460)	(338,817,275)
Less: Overdue portion		(697,448,482)	(501,831,460)
		96,366,221	291,983,243
18.1 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 a Syndicated loan, whereby Faysal Bank Limited is acting as the principal 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.
- 18.1.1 Overdue portion of liability represents amount due from partial installment of fourth quarter of year 2019 upto 30 June 2024 and full portion of Pak Kuwait Investment Company (Private) Limited as they have neither signed the restructuring agreement nor accepted the payment.

	Note	2024 Rupees	2023 Rupees
19 MARKUP ACCRUED ON SECURED BORROWINGS			
On secured borrowings (refer note 18.1)		<u>614,940,264</u>	<u>614,940,264</u>
20 DEFERRED LIABILITIES			
Staff gratuity	20.1	<u>26,121,681</u>	<u>25,301,017</u>
20.1 Staff gratuity			
Movement in net defined benefit obligation recognized in statement of financial position:			
Opening balance		25,301,017	24,480,355
Provision for the year	20.1.1	<u>820,664</u>	<u>820,662</u>
		<u>26,121,681</u>	<u>25,301,017</u>
Less: Payments made during the year		<u>-</u>	<u>-</u>
		<u>26,121,681</u>	<u>25,301,017</u>
20.1.1 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, since then, the amount is charged on the basis of last drawn salary of eligible employees with the Company as on 30 June.			
Provision of gratuity for the year has been allocated as follows:			
Cost of sales	25.1	455,788	455,787
Administrative and selling expenses	26.1	<u>364,876</u>	<u>364,875</u>
		<u>820,664</u>	<u>820,662</u>
21 TRADE AND OTHER PAYABLES - UNSECURED			
Creditors		14,093,154	12,050,973
Contract liabilities		119,438	419,438
Accrued liabilities		29,728,749	27,884,286
Payable to old employees		<u>2,966,092</u>	<u>3,011,341</u>
		<u>46,907,433</u>	<u>43,366,038</u>
22 ACCRUED MARKUP			
Long term borrowings - secured		<u>591,743,197</u>	<u>414,572,672</u>
It represents markup pertaining to overdue portion (as explained in note 18). It includes Rs. 61,885,511 (2023: Rs. 45,627,069) payable to Pak Kuwait Investment Company (Private) Limited as they have not yet accepted and signed the restructuring agreement.			
23 SHORT TERM BORROWINGS - UNSECURED			
Loans from directors		31,529,926	263,264,661
Loans from sponsors		154,226,998	62,471,516
Loan from Abuzar Grinding Mills (Private) Limited - Associated company		<u>18,419,610</u>	<u>-</u>
		<u>204,176,534</u>	<u>325,736,177</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 on account of loans obtained amounting to Rs. 148,253,328 and loans repaid/ adjusted amounting to Rs. 269,812,971.			
24 CONTINGENCIES AND COMMITMENTS			
24.1 Contingencies			
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 18.			
During the year ended 30 June 2015, two suits were filed against the Company in the Lahore High Court for the recovery of Rs. 1,299,588,534 and Rs. 122,197,136 by "Faysal Bank Limited and others" and "Pakistan Kuwait Investment Company (Private) Limited" respectively. The suits are still pending adjudication. The management feels that the cases would become infructuous once the restructuring agreement will be finalised.			



	Note	2024 Rupees	2023 Rupees
24.2 Commitments			
Non-capital commitments - post dated cheques		356,250	900,781
There are no other contingencies or commitments of the Company except as described above.			
25 COST OF SALES			
Raw material consumed			
Opening stock of raw material		-	-
Add: Purchased during the year		-	-
Less: Closing stock of raw material	10	-	-
Manufacturing overheads			
Salaries, wages and other benefits	25.1	11,088,984	8,077,315
Fuel, power and water		9,291,020	20,420,211
Travelling and conveyance		-	-
Entertainment		1,736,462	103,104
Repair and maintenance		16,565,747	1,691,387
Printing and stationery		11,315	6,250
Depreciation	6.1	13,775,250	15,348,015
		52,468,778	45,646,282
Add: Opening stock of work in process		-	-
Less: Closing stock of work in process		-	-
Cost of goods manufactured		52,468,778	45,646,282
Add: Opening stock of finished goods		-	-
Less: Closing stock of finished goods		-	-
		52,468,778	45,646,282
25.1 Salaries, wages and other benefits include Rs. 455,788 (2023 : Rs. 455,787) in respect of gratuity (note 20.1.1).			
26 ADMINISTRATIVE AND SELLING EXPENSES			
Salaries and other benefits	26.1	4,535,146	6,674,271
Utilities		448,543	292,995
Rent, rates and taxes		1,078,787	1,095,093
Printing and stationery		58,079	36,062
Vehicles' running and maintenance		-	-
Telephone, postage and couriers		139,390	216,417
Auditors' remuneration	26.2	961,250	770,600
Legal and professional charges		9,960,521	674,234
Entertainment		78,318	-
Repairs and maintenance		328,080	171,133
Traveling and conveyance		95,761	91,531
Advertisement		169,000	100,677
Fees and subscription		12,457,762	1,816,982
Depreciation	6.1	251,775	317,904
Amortization	7	-	-
Penalties	26.3	120,000	-
Miscellaneous expenses		106,130	-
		30,788,542	12,257,899
26.1 Salaries and other benefits include Rs. 364,876 (2023: Rs. 364,875) in respect of gratuity (note 20.1.1).			
26.2 Auditors' remuneration			
Audit fee		460,950	419,100
CCG review fee		85,050	77,000
Interim half yearly review fee		173,250	157,500
Other certification charges		242,000	117,000
		961,250	770,600
26.3 The Company submitted its Annual Free-Float Certificate with a substantial delay, resulting in a liability of Rs. 120,000 payable to the Pakistan Stock Exchange (PSX) under PSX Regulation S 21.1.			
27 FINANCE COST			
Markup on long term borrowings		177,170,525	154,655,763
Bank charges and commission		49,495	10,469
		177,220,020	154,666,232
28 OTHER OPERATING INCOME			
On financial assets			
Profit on bank deposit accounts		2,467	3,188
Reversal of allowance for expected credit loss		18,238,950	-
		18,241,417	3,188
29 TAXATION			
Current tax		-	-
Deferred tax		-	-
29.1 The Company has suspended its operations since 2019 and is not carrying out its usual business and has therefore not made any sales during the year and resultantly has not incurred any tax liability.			



	Note	2024 Rupees	2023 Rupees
30 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	(242,235,923)	(212,567,225)
Weighted average number of ordinary shares in issue during the year		374,841,314	315,733,860
Loss per share - basic and diluted	Rupees	(0.65)	(0.67)

No figure for diluted loss 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.

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

31.1 Financial instrument by category

Financial assets - at amortized cost

Long term security deposits	8	40,521,445	40,521,445
Advances	12	9,229	9,229
Cash and bank balances	14	914,217	129,114
		<u>41,444,891</u>	<u>40,659,788</u>

Financial liabilities - at amortized cost

Advance for issuance of shares-unsecured	17	3,829,952	358,100,019
Long term borrowings - secured	18	96,366,221	291,983,243
Markup accrued on secured borrowings	19	614,940,264	614,940,264
Trade and other payables	21	46,787,995	42,946,600
Accrued markup	22	591,743,197	414,572,672
Short term borrowings - unsecured	23	204,176,534	325,736,177
Current and overdue portion of long term borrowings	18	697,448,482	501,831,460
		<u>2,255,292,645</u>	<u>2,550,110,435</u>

31.2 Reconciliation to the line items presented in the statement of financial position

The reconciliation to the line items presented in the statement of financial position is as follows:

	2024		
	Financial assets	Non-financial assets	Assets as per statement of financial position
Assets			
Long term security deposits	40,521,445	-	40,521,445
Advances	9,229	663,365	672,594
Cash and bank balances	914,217	-	914,217
	<u>41,444,891</u>	<u>663,365</u>	<u>42,108,256</u>

Liabilities

	2024		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
Advance for issuance of shares - unsecured	3,829,952	-	3,829,952
Long term borrowings - secured	96,366,221	-	96,366,221
Markup accrued on secured borrowings	614,940,264	-	614,940,264
Trade and other payables - unsecured	46,787,995	119,438	46,907,433
Accrued markup	591,743,197	-	591,743,197
Short term borrowings - unsecured	204,176,534	-	204,176,534
Current and overdue portion of long term borrowings	697,448,482	-	697,448,482
	<u>2,255,292,645</u>	<u>119,438</u>	<u>2,255,412,083</u>

Assets

	2023		
	Financial assets	Non-financial assets	Assets as per statement of financial position
Long term security deposits	40,521,445	-	40,521,445
Advances	9,229	1,252,510	1,261,739
Cash and bank balances	129,114	-	129,114
	<u>40,659,788</u>	<u>1,252,510</u>	<u>41,912,298</u>

Liabilities

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
Advance for issuance of shares - unsecured	358,100,019	-	358,100,019
Long term borrowings - secured	291,983,243	-	291,983,243
Markup accrued on secured borrowings	614,940,264	-	614,940,264
Trade and other payables - unsecured	42,946,600	419,438	43,366,038
Accrued markup	414,572,672	-	414,572,672
Short term borrowings - unsecured	325,736,177	-	325,736,177
Current and overdue portion of long term borrowings	501,831,460	-	501,831,460
	<u>2,550,110,435</u>	<u>419,438</u>	<u>2,550,529,873</u>



31.3 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 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. 41,444,891 (2023: Rs. 40,659,788), the financial assets which are subject to credit risk amounted to Rs. 41,179,458 (2023: Rs. 40,655,133).

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	648,784	124,459
	<u>41,179,458</u>	<u>40,655,133</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	19,469,715	37,708,665
	<u>19,469,715</u>	<u>37,708,665</u>
Remeasurement of expected credit loss	(19,469,715)	(37,708,665)
	<u>-</u>	<u>-</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	19,469,715	37,708,665
	<u>19,469,715</u>	<u>37,708,665</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		2024	2023
		Long Term	Short Term		
Askari Bank Limited	PACRA	AA+	A-1+	4,530	4,530
Faysal Bank Limited	VIS & PACRA	AA	A-1+	35,128	34,819
National Bank of Pakistan	VIS & PACRA	AAA	A-1+	4,100	4,100
Silk Bank Limited	VIS	A-	A-2	18,166	16,894
United Bank Limited	VIS	AAA	A-1+	566,023	43,795
Soneri Bank Limited	PACRA	AA-	A-1+	7,031	6,557
Bank Alfalah Limited	PACRA	AAA	A-1+	10,500	10,500
Allied Bank Limited	PACRA	AAA	A-1+	3,234	3,234
Meezan Bank Limited	VIS	AAA	A-1+	72	30
				<u>648,784</u>	<u>124,459</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 Cashflows	Six months or less	Six to twelve months	More than one year
30 June 2024					
Advance for issuance of shares-unsecured	3,829,952	3,829,952	-	-	3,829,952
Long term borrowings - secured	96,366,221	115,870,744	-	-	115,870,744
Markup accrued on secured borrowings	614,940,264	614,940,264	-	-	614,940,264
Trade and other payables	46,787,995	46,787,995	46,787,995	-	-
Accrued markup	591,743,197	591,743,197	591,743,197	-	-
Short term borrowings - unsecured	204,176,534	204,176,534	204,176,534	-	-
Current and overdue portion of long term borrowings	697,448,482	697,448,482	93,150,962	102,466,060	501,831,460
	<u>2,255,292,645</u>	<u>2,274,797,168</u>	<u>935,858,688</u>	<u>102,466,060</u>	<u>1,236,472,420</u>



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	358,876,604	-	-	358,876,604
Markup accrued on secured borrowings	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>2,617,003,796</u>	<u>853,118,671</u>	<u>93,150,962</u>	<u>1,670,734,163</u>

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:

	2024		2023	
	Effective rate	Carrying amount	Effective rate	Carrying amount
	Rupees			
Long term borrowings- secured	3 Month KIBOR	3 Month KIBOR	96,366,221	291,983,243
Current and overdue portion of long term borrowings	--- do---	--- do---	697,448,482	501,831,460
			<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- secured	100 bps	963,662	2,919,832
Current and overdue portion of long term borrowings	100 bps	6,974,485	5,018,315

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:

	2024	2023
	Rupees	Rupees
Total debts	997,991,237	1,119,550,880
Less: Cash and bank balances	(914,217)	(129,114)
Net debt	<u>997,077,020</u>	<u>1,119,421,766</u>
Total equity	<u>311,648,567</u>	<u>29,010,302</u>
Net debt-to-equity (times)	<u>3.20</u>	<u>38.59</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.

d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for shareholders.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.



32 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 advance for shares and outstanding balance payable to directors and sponsors and transactions with them are disclosed in note 17 and 23, shares held by related parties in note 15 and remuneration paid to chief executive and directors is disclosed in note 33 to these financial statements. Significant transactions with related parties not disclosed elsewhere are as follows:

	2024 Rupees	2023 Rupees
Key management personnel		
-Loan received during the year	6,113,571	35,050,881
-Loan repaid/ adjusted during the year	95,823,750	-
Family of key management personnel		
-Loan received during the year	17,579,442	150,000
-Loan repaid/ adjusted during the year	133,989,220	-

Following are the related parties with whom the Company have arrangement or agreements in place:

<u>Name of related party</u>	<u>Basis of relationship</u>	<u>Relationship</u>	<u>Shareholding %</u>
Mr. Jamal Iftakhar Ahmed	Shareholder and director	Shareholding	6.157%
Mr. Zahid Iftakhar	Shareholder and director	Shareholding	5.527%
Mr. Mian Abuzar Shad	Shareholder and director	Shareholding	4.600%
Mr. Saad Zahid	Shareholder and family of key management personnel	Shareholding	0.966%
Mr. Bilal Jamal Iftakhar	Shareholder and family of key management personnel	Shareholding	1.801%
Ms. Mona Zahid	Shareholder and family of key management personnel	Shareholding	0.090%
Ms. Nargis Abuzar Shad	Shareholder and family of key management personnel	Shareholding	2.168%
Abuzar Grinding Mills (Private) Limited	Common directorship	Associated company	N/A

33 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:

	Chief executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Managerial remuneration	-	-	-	-	1,620,000	3,660,000
Other allowances	-	-	-	-	-	-
Car allowances	-	-	-	-	450,000	1,200,000
Staff retirement gratuity	-	-	-	-	180,000	405,000
Directors' meeting fee	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250,000</u>	<u>5,265,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>3</u>	<u>1</u>	<u>2</u>

34 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.

35 PRODUCTION CAPACITY

	2024	2023
	Metric Tons	
Total installed capacity - on three shift basis	350,000	350,000
Available installed capacity - on three shift basis	350,000	350,000
Actual production	-	-

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

36 NUMBER OF EMPLOYEES

	2024	2023
	Number	
Total number of employees as at 30 June	26	23
Average number of employees during the year	24	22

37 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.



38 **EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

There are no other events after the statement of financial position date causing any adjustment to/ disclosure in the financial statements.

39 **DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were approved and authorized for issue on 05 NOV 2024 by the Board of Directors of the Company.



Chief Executive Officer

Chief Financial Officer

Director

DOST STEELS LIMITED
PATTERN OF SHARE HOLDING
AS ON 30/06/2024

-----Shareholdings-----

2.2 No. of Shareholders	From	To	Total Shares Held
256	1	100	5,673
6,309	101	500	3,129,244
968	501	1,000	955,141
2,109	1,001	5,000	6,079,156
586	5,001	10,000	4,724,201
213	10,001	15,000	2,751,025
145	15,001	20,000	2,702,335
127	20,001	25,000	3,018,173
72	25,001	30,000	2,078,637
34	30,001	35,000	1,148,033
30	35,001	40,000	1,155,440
14	40,001	45,000	614,000
54	45,001	50,000	2,670,300
17	50,001	55,000	899,800
12	55,001	60,000	701,480
8	60,001	65,000	492,980
5	65,001	70,000	341,080
13	70,001	75,000	966,075
8	75,001	80,000	623,495
3	80,001	85,000	244,500
6	85,001	90,000	529,000
6	90,001	95,000	558,115
36	95,001	100,000	3,590,840
3	100,001	105,000	305,456
3	105,001	110,000	319,500
5	110,001	115,000	566,000
5	115,001	120,000	594,000
3	120,001	125,000	375,000
2	125,001	130,000	260,000
3	130,001	135,000	396,595
1	135,001	140,000	140,000
4	140,001	145,000	572,500
4	145,001	150,000	597,700
5	150,001	155,000	765,030
2	155,001	160,000	318,500
3	160,001	165,000	494,000
1	165,001	170,000	169,500
3	170,001	175,000	521,500
1	175,001	180,000	179,500
1	180,001	185,000	183,000
19	195,001	200,000	3,796,000
1	200,001	205,000	205,000
1	205,001	210,000	210,000

1	210,001	215,000	215,000
1	220,001	225,000	225,000
2	230,001	235,000	466,000
6	245,001	250,000	1,495,251
4	250,001	255,000	1,008,500
1	260,001	265,000	260,500
2	265,001	270,000	536,460
2	270,001	275,000	546,200
1	275,001	280,000	277,242
6	295,001	300,000	1,800,000
1	300,001	305,000	303,500
1	305,001	310,000	309,000
2	310,001	315,000	627,500
2	315,001	320,000	637,500
3	320,001	325,000	968,000
2	325,001	330,000	654,280
1	335,001	340,000	335,380
2	345,001	350,000	700,000
1	355,001	360,000	360,000
1	360,001	365,000	361,500
1	365,001	370,000	365,040
1	385,001	390,000	390,000
4	395,001	400,000	1,600,000
1	400,001	405,000	403,500
1	410,001	415,000	411,360
1	420,001	425,000	421,000
1	425,001	430,000	430,000
2	445,001	450,000	895,500
1	455,001	460,000	460,000
1	485,001	490,000	490,000
3	495,001	500,000	1,497,000
1	515,001	520,000	515,500
3	595,001	600,000	1,800,000
1	605,001	610,000	606,680
1	620,001	625,000	625,000
1	645,001	650,000	645,998
1	715,001	720,000	720,000
1	745,001	750,000	750,000
1	755,001	760,000	757,000
2	875,001	880,000	1,755,000
1	900,001	905,000	905,000
1	995,001	1,000,000	1,000,000
1	1,035,001	1,040,000	1,038,500
1	1,065,001	1,070,000	1,068,500
1	1,150,001	1,155,000	1,155,000
1	1,350,001	1,355,000	1,355,000
1	1,615,001	1,620,000	1,617,000
1	1,635,001	1,640,000	1,636,000
1	1,855,001	1,860,000	1,856,620

1	2,005,001	2,010,000	2,008,300
1	2,445,001	2,450,000	2,450,000
1	2,660,001	2,665,000	2,661,000
1	2,850,001	2,855,000	2,851,000
1	2,875,001	2,880,000	2,880,000
1	2,985,001	2,990,000	2,986,043
1	3,420,001	3,425,000	3,424,484
1	3,915,001	3,920,000	3,915,500
1	4,145,001	4,150,000	4,149,900
1	4,290,001	4,295,000	4,293,912
1	4,710,001	4,715,000	4,712,188
1	5,030,001	5,035,000	5,032,780
1	5,540,001	5,545,000	5,544,688
1	6,135,001	6,140,000	6,136,506
1	6,885,001	6,890,000	6,886,506
1	7,505,001	7,510,000	7,508,710
1	7,645,001	7,650,000	7,649,972
1	8,005,001	8,010,000	8,007,196
1	9,640,001	9,645,000	9,641,500
1	20,000,001	20,005,000	20,000,947
1	20,455,001	20,460,000	20,458,000
1	20,495,001	20,500,000	20,500,000
1	23,145,001	23,150,000	23,145,500
1	24,575,001	24,580,000	24,577,686
1	26,680,001	26,685,000	26,681,734
1	27,380,001	27,385,000	27,380,986
1	28,995,001	29,000,000	29,000,000
1	29,980,001	29,985,000	29,983,422
1	40,020,001	40,025,000	40,022,602

11,210

Total

444,695,577

DOST STEELS LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON 30/06/2024

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	85,538,215	19.2352%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	-	0.0000%
2.3.3 NIT and ICP	-	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	9,000	0.0020%
2.3.5 Insurance Companies	1,856,620	0.4175%
2.3.6 Modarabas and Mutual Funds	-	0.0000%
2.3.7 Shareholders holding 10% or more	-	0.0000%
2.3.8 General Public		
a. Local	354,464,957	79.7096%
b. Foreign	167,840	0.0377%
2.3.9 Others (to be specified)		
- Joint Stock Companies	2,555,945	0.5748%
- Others	103,000	0.0232%
Total	444,695,577	100%

DOST STEELS LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON 30/06/2024

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN:</u>			
1	MR. SUHAIL ELAHI (CEO) (CDC)	500	0.0001%
2	MR. JAMAL IFTAKHAR AHMED (CDC)	27,380,986	6.1572%
3	MR. ZAHID IFTAKAHR (CDC)	24,577,686	5.5269%
4	MR. SHAHAB MEHBOOB VOHRA (CDC)	43,000	0.0097%
5	MIAN ABUZAR SHAD (CDC)	20,458,000	4.6005%
6	MR. NAIM ANWAR (CDC)	50,000	0.0112%
7	MR. MURTAZA HUSSAIN (CDC)	500	0.0001%
		72,510,672	16.3057%
<u>ASSOCIATED COMPANIES:</u>			
		0	0.0000%
<u>NIT & ICP:</u>			
		0	0.0000%
<u>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS,</u>			
<u>NON BANKING FINANCIAL INSTITUTIONS:</u>			
1	ESCORTS INVESTMENT BANK LIMITED (CDC)	9,000	0.0020%
		9,000	0.0020%
<u>INSURANCE COMPANIES:</u>			
1	CRESCENT STAR INSURANCE LIMITED (CDC)	1,856,620	0.4175%
		1,856,620	0.4175%
<u>INVESTMENT COMPANIES</u>			
		0	0.0000%
<u>MODARABAS & MUTUAL FUNDS</u>			
		0	0.0000%
<u>JOINT STOCK COMPANIES:</u>			
1	SALIM SOZER SECURITIES (PRIVATE) LIMITED (CDC)	104,796	0.0236%
2	PARAMOUNT COMMODITIES (PVT) LIMITED (CDC)	154,530	0.0347%
3	ABA ALI HABIB SECURITIES (PVT) LIMITED (CDC)	500	0.0001%
4	BEAMING INVEST & SECURITIES(PVT.) LTD. (CDC)	3,000	0.0007%
5	CLIKTRADE LIMITED (CDC)	34	0.0000%
6	CMA SECURITIES (PVT.) LIMITED (CDC)	35,000	0.0079%
7	ELAHI NOOR ENTERPRISES PVT LIMITED (CDC)	500	0.0001%
8	FIRST CHOICE SECURITIES LIMITED (CDC)	100,000	0.0225%
9	GPH SECURITIES (PRIVATE) LIMITED (CDC)	30,000	0.0067%
10	HAFIZ LIMITED (CDC)	10,000	0.0022%
11	IMPERIAL INVESTMENT (PVT) LTD. (CDC)	500	0.0001%
12	J. K. SPINNING MILLS LIMITED (CDC)	75,000	0.0169%
13	KM ENTERPRISES (PVT.) LIMITED (CDC)	500	0.0001%
14	M/S RANG COMMODITIES (PVT) LTD (CDC)	200,000	0.0450%
15	MAK SECURITIES (PRIVATE) LIMITED (CDC)	1,000	0.0002%
16	MEHDI SECURITIES (PRIVATE) LIMITED (CDC)	1,000	0.0002%
17	MIAN NAZIR SONS IND. (PVT) LTD. (CDC)	30,000	0.0067%
18	MSMANIAR FINANCIALS (PVT) LTD (CDC)	2,500	0.0006%
19	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED (CDC)	44	0.0000%
20	NCC-RETRIEVAL ACCOUNT (CDC)	1,500	0.0003%
21	NH SECURITIES (PVT) LIMITED (CDC)	20,005	0.0045%
22	NINI SECURITIES (PRIVATE) LIMITED (CDC)	196,500	0.0442%
23	PASHA SECURITIES (PVT.) LIMITED (CDC)	10,000	0.0022%
24	PRUDENTIAL SECURITIES LIMITED (CDC)	1,028	0.0002%
25	RAFI SECURITIES (PRIVATE) LIMITED (CDC)	32,000	0.0072%
26	SAAO CAPITAL (PRIVATE) LIMITED (CDC)	106,500	0.0239%
27	SHAFFI SECURITIES (PVT) LIMITED (CDC)	22,010	0.0049%
28	SHERMAN SECURITIES (PRIVATE) LIMITED (CDC)	321,000	0.0722%
29	WEAVERS PAKISTAN PVT LIMITED (CDC)	500	0.0001%
30	ZAFAR SECURITIES (PVT) LTD. (CDC)	450,000	0.1012%
31	WEAVERS PAKISTAN (PRIVATE) LIMITED (CDC)	645,998	0.1453%
		2,555,945	0.5748%
<u>OTHERS</u>			
1	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T (CDC)	100,000	0.0225%
2	FIRST UDL MODARABA STAFF PROVIDENT FUND (CDC)	2,000	0.0004%
3	TRUSTEES OF CANTEEN STORES DEPARTMENT (CDC)	1,000	0.0002%
		103,000	0.0232%
<u>EXECUTIVES</u>			
		0	0.0000%
<u>SHARES HELD BY THE GENERAL PUBLIC (FOREIGN):</u>			
		167,840	0.0377%
<u>SHARES HELD BY THE GENERAL PUBLIC (LOCAL):</u>			
		367,492,500	82.6391%
		367,660,340	82.6769%
TOTAL		444,695,577	100.0000%
<u>SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:</u>			
NIL			
<u>SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL:</u>			
1	MR. MOHABAT KHAN (CDC)	40,022,602	9.0000%
2	MS. JANNAT ABUZAR (CDC)	31,851,000	7.1624%
3	MST. QURAT UL AIN SHAHZEBA (CDC)	29,983,422	6.7425%
4	MR. JAMAL IFTAKHAR AHMED (CDC)	27,380,986	6.1572%
5	MR. ZAHIR KHAN (CDC)	26,681,734	6.0000%
6	MR. ZAHID IFTAKAHR (CDC)	24,577,686	5.5269%
7	MR. ABDULLAH IQBAL AUJLA (CDC)	23,145,500	5.2048%
8	MS. ESHWAH ABUZAR (CDC)	23,351,000	5.2510%
		226,993,930	51.0448%

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 27th November 2024 at 12:00 p.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2024

(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.

فولیو نمبر ای ڈی سی اکاؤنٹ نمبر:
شیترز

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

میں / ہم

نام

پتہ

دوست سٹیلز لمیٹڈ کا ممبر ہونے کے نامے کی اسما

ساکن:

نام

پتہ

ساکن:

ساکن:

کی جگہ پر جو کہ کمپنی کا ممبر برائے رجسٹرڈ فولیو نمبر ای ڈی سی اکاؤنٹ نمبر

ہے (کمپنی کا ممبر ہونے کے نامے) کو اپنا

- پراسی (اختیار گروہ) کو میں نے / ہم نے امور سے 27 نومبر 2024ء سے 12.00 بجے کمپنی کی مقرر کردہ سالانہ عام اجلاس میں اپنی جگہ
شرکت کے لئے اور دیگر متعلقہ کسی بھی تقریب کے لئے مقرر کیا ہے

2024

دن

دستخط ہذا

گواہان

ہاؤس روپے کی روپے ڈیپازٹ کی سٹیپ لف کریں!

1

دستخط

نام:

پتہ:

شناختی کارڈ نمبر:

کوالین:

2

دستخط

شیر ہولڈر کے دستخط

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

نام

پتہ

شناختی کارڈ نمبر:

نوٹس:

1. سالانہ عام اجلاس میں شرکت کرنے اور ووٹ دینے کے حقدار رکن کو اس کی بجائے کسی دوسرے رکن کو شرکت کرنے اور ووٹ دینے کے لیے ہر کسی 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. ہر کسی (ہر کسی) میٹنگ کے لیے مقرر کردہ وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں حاضر ہونا لازم ہے۔
3. ہر کسی 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 ہو گا 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 ایگزیکٹو ایگزیکٹو 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) کارپورٹ اور اسے کی صورت میں، میٹنگ کے وقت بورڈ کی ریزولوشن / ہاور آف اٹارنی جس میں نامزد شخص کے کپیبل دستخط ہوں گے (اگر پہلے فراہم نہ کیا گئے ہوں) پیش کیا جائے گا۔

B. ہر کسیوں (اختیار گنہ گان) کی تقرری کے لیے۔

- (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر اور ایگزیکٹو ایگزیکٹو اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا تقاضوں کے مطابق ہر کسی فارم جمع کرائیں گے۔
- (ii) ہر کسی فارم پر دو افراد کو ایڈس گے، جن کے نام، پتہ اور CNIC نمبر فارم میں درج ہوں گے۔
- (iii) شناختی کارڈ کی تصدیق شدہ کاپیاں یا اٹارنی دہندگان کے پاسپورٹ اور اختیار گنہ گنہ کو ہر کسی فارم کے ساتھ پیش ہونا لازم ہوگا۔
- (iv) ہر کسی (اختیار گنہ گنہ) میٹنگ کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔
- (v) کارپورٹ اور اسے کی صورت میں، بورڈ کی قرارداد / ہاور آف اٹارنی ہندہ نمونہ دستخط (اگر پہلے فراہم نہ کیا گیا ہو) کمپنی کو ہر کسی فارم کے ساتھ پیش کیا جائے گا۔

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