



f /doststeels
in /company/dost-steels-ltd
info@doststeels.com
www.doststeels.com

DOST STEELS LIMITED

18th Annual Report

&

Financial Statements (Audited)

For the year ended June 30, 2021

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

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.

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town,

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

COMPANY INFORMATION

Board of Directors

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

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

Shares Registrar

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

Audit Committee

Mr. Bilal Jamal Iftakhar
Mr. Shahab Mahboob Vora
Mr. Mustafa Jamal Iftakhar

Chairman
Member
Member

Human resource & Remuneration Committee

Mr. Shahab Mahboob Vora
Mr. Jamal Iftakhar
Mr. Bilal Jamal Iftakhar

Chairman
Member
Member

Chief Financial Officer

Mr. Shahid Ali

Company Secretary

Tariq Majeed

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
Habib Metropolitan Bank Limited
Meezan Bank

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

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor

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

Plant Address

52 Km Lahore Multan Road
Phool Nagar, Distt Kasur Punjab

Web Presence

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that the 18th Annual General Meeting of the Company will be held on Thursday, 28th day of October 2021 at 9:30 a.m. at Lahore to transact the following business. Due to the need of required social distancing to avoid the spread of COVID19 pandemic, shareholders are requested to attend the meeting through video through video link facility arranged by the Company as per the instructions given in the notes section

1. ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon.
2. To appoint the Auditors of the Company for the year ending 30 June 2022 and to fix their remuneration;

2. ANY OTHER BUSINESS

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

By Order of the Board of Directors


Tariq Majeed
Company Secretary

Lahore
October 08, 2021

NOTES:

1. In pursuance of SECP's Circular No. 5 dated March 17, 2020, and Circular No. 10 dated April 1, 2020, respectively pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.
2. The Members Register and Share Transfer Books will be closed from October 20, 2021 to October 28, 2021 (both days inclusive) for the purpose of the Annual General Meeting. Transfers received at THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on October 19, 2021 will be treated in time for the purpose of Annual General Meeting.

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

3. The login facility will be opened at 9:15 a.m. on October 28, 2021 enabling the participants to join the proceedings which will start at 9:30 a.m. sharp.
4. Shareholders interested in attending the AGM through electronic means, are requested to register themselves by submitting their following particulars at the Company's designated email address tariq.majeed@doststeels.com before the close of business hours on October 27, 2021. The link to the zoom application will be sent to the shareholders on the email address provided in the below table:

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address
---------------------	-------------	---------------------------	-------------	---------------

5. Login facility will be shared with the shareholders whose emails addresses provided on above table, Shareholders can also provide their comments / suggestions on tariq.majeed@doststeels.com or WhatsApp or SMS on 0333-4225449 for the agenda items proposed to be conducted at the AGM in the same manner as it is being discussed in the AGM, and later shall be made part of the minutes of the meeting.
6. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member of the Company
7. The instrument appointing the proxy and the Power of Attorney or other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's registered office i.e. 4th Floor, Ibrahim Trade Centre, 1-Aibak Block, Barkat Market, new Garden Town, Lahore, not later than 48 hours before the time of the meeting.
8. The Members who have not yet submitted photocopy of their valid CNIC to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi. Corporate entities are requested to provide their National Tax Number (NTN). Please give the folio number with the copy of CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. In case of non-receipt of the copy of a valid CNIC, the Company will not transmit the dividends of such shareholders to comply with the said SROs of SECP.
9. The Government of Pakistan through the Finance Act, 2020 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
 - a. Rate of tax deduction for filer of income tax returns: 15.0%
 - b. Rate of tax deduction for non-filers of income tax return: 30.0%

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000. Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan

All the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date otherwise tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

A valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in the above Clause must provide a valid Tax Exemption Certificate to our Shares Registrar; else tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

10. For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non-Filer" status of the principal shareholder as well as the joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Company's Share Registrar, THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi in the writing as follows, otherwise it will be assumed that the shares are equally held by the principal shareholder and the joint shareholder(s):

Principal Shareholder			Joint Shareholder		
Folio/CDC Account #	Total Shares	Name and CNIC	Shareholding Proportion (No. of Shares)	Name and CNIC	Shareholding Proportion (No. of Shares)

11. Shareholders are requested to notify their change of address, Zakat declaration and Tax exemption certificate (if any) immediately to the Company's Share Registrar, THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi. Please further note that Zakat will be deducted from dividends at source at the rate of 2.5% of the paid up value of the shares under Zakat and Ushr laws and will be deposited within the prescribed period with the relevant authority. In the event that you would like to claim an exemption, please submit, with your broker/CDC/the Company's Share Registrar, your Zakat Declaration form CZ -50 under the Zakat and Ushr Ordinance 1980 and Rule 4 of the Zakat (Deduction and Refund) Rules 1981.

12. SECP, through its SRO 470(1)/2016 dated May 31, 2016, has allowed companies to circulate their annual accounts to shareholders through CD/DVD/USB at their registered addresses. However, any shareholder may request the Company Secretary in writing to provide a printed copy of the annual report at their registered address, free of cost

Members are further informed that pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 regarding electronic transmission of the Company's Annual Report and AGM notice, we have uploaded the request form on the Company's website - www.doststeels.com. Those members who want to avail this facility are requested to submit the duly filled request form to our Share Registrar THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi.

13. In accordance with the requirements of section 242 of the Companies Act 2017, cash dividends shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Shareholders are requested to provide their folio number, name, bank account details comprising of bank name, branch name, branch code, account number, title of account and IBAN, which they designate for crediting of their dividend. A standard form has also been placed on the Company's website- www.doststeels.com. Please ensure that such details are provided to the Company's Share Registrar THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi and/or your broker/participant/CDC investor account services, failing which the Company will be unable to process your dividend payment.
14. Conversion of Physical Securities Into Book Entry Form as per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion if their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC. Account with GPS participant/UDC Investor Account Services and convert their existing physical securities into book entry form.

For any query/problem/information, members may contact the Company and share Registrar at the following address:-

INFESTORS' RELATIONS DEPARTMENT OF THE COMPANY	SHARE REGISTRAR OF THE COMPANY
Or write a letter to: The Company Secretary Dost Steels Limited Room No. 401, 4th Floor, Ibrahim Trade Centre, 1-Aibak Block Barkat Market, New Garden Town, Lahore Email: info@doststeels.com	THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi. UAN No. (021) 111-000-322 Email secretariat@thk.com.pk

Head Office:

4th Floor, Ibrahim Trade Centre
 1-Aibak Block, Barkat Market,
 New Garden Town,

Karachi Office:

101, Chapel Plaza,
 Hasrat Mohani Road,
 Karachi - 74000, Pakistan.

Mill Site:

52, Saeed Multan Road,
 Phoolnagar - 55260,
 Pakistan.

Members are requested to notify immediately of any change in their address

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members Assalam-O-Alaikum

On behalf of my colleagues on the Board, I welcome you to the 18th 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 2021.

Pakistan's economic recovery continues. The macro-economic reforms agenda of the current government rendering positive results, despite the COVID-19 crisis. The smart lock down strategy helped to contain the effects of COVID-19

Financial performance of the Company for the year was as under:

Description	30 June 2021 (PKR)	30 June 2020 (PKR)
Sale	7,053,960	11,270,030
Cost of Sales	(61,375,236)	(60,985,653)
Gross (Loss) / Profit	(54,321,276)	(49,715,623)
Administrative and Selling expenses	(61,763,625)	(103,100,474)
Finance costs	(59,898,943)	(92,015,280)
Other operating income	1,087,780	4,257,663
Other Operating expenses	-	(363,600)
Loss before taxation	(174,896,064)	(240,937,314)
Taxation	(105,809)	(169,050)
Loss after taxation	(175,001,873)	(241,106,364)

Business Review

The earnings per share for the year was Rupees (0.55) per share as compared to Rupees (0.76) per share during the corresponding period. The Company previously commenced its commercial operations however the Company, has not been able to operate the plant during the current financial year due to shortage of working capital. Hence the Company has not yet been able to convert its previously incurred losses into a profit. Therefore, the Company is not in a position to declare dividend or any bonus shares to the shareholders of the Company.

We are hopeful that the Company would be able to resume its production activities during the upcoming financial years and improve its financial performance.

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, company is making all its efforts for potential investment, joint venture strategic alliance / partnership to overcome the working capital crisis being faced by the Company. The Company is hopeful that our efforts will be successful in the near future and the Company will be able to resume its operations.

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town,

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

Risk Management

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

Material Changes in commitments

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

Future Prospects, Risks and Uncertainties:

The past year has presented considerable economic challenges, not just for the Company, but for Pakistan as a whole. Historically, we have witnessed an upsurge in spending on infrastructure and development projects in election years, followed by a sharp decline in major economic indicators post-elections; this trend was much more pronounced during the last election cycle compared to preceding election cycles. An assessment of this past trend indicates that this post-election slowdown can last at least one year, however given the severity of the current correction this cycle may be much prolonged. We expect domestic demand for steel to remain at current levels until the economy can fully adjust to the post-IMF economic realities as both loss in domestic consumers' purchasing power due to PKR devaluation and high interest rates will keep economic growth in check for the foreseeable future.

As an import dependent industry; steel supply chain is vulnerable, albeit limited, to fluctuations in the global steel supply. The challenge for the company is to mitigate the risks arising due to volatilities originating locally and internationally by reducing costs and improving overall efficiencies of our supply chain. Pakistan can vastly improve its local infrastructure and reduce dependency on imports whilst enhancing quality levels leading to a healthy and organic improvement in the overall steel industry.

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

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

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town,

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

The impact of the company's business on the environment

a) Health and Safety Management

The installed facility at Dost Steels is a green field plant, wholly designed and sourced from a global leader in steel making. This particular series of rolling mills have been installed all around the world and have excellent safety track records. All safety standards and procedures have been implemented in line with the best international practices.

b) Environment Management System

DSL acknowledges that in order for a sustainable future, environmentally friendly practices need to be embedded into the manufacturing process. It is for this reason that we have included 2 components that ensure a cleaner manufacturing process.

One of these features is an extensive Water Treatment Plant, which has been designed by Italian Engineers. This plant limits the water extraction requirements of the plant and more importantly, filters out the unwanted iron oxide particles and oil-based sludge in the wastewater. Since large quantities of water are used in the processing of steel, this ensures sustainability of water resources around us for generations to come.

In order to minimize carbon emissions, our furnace is designed to ensure high insulation levels and automated systems ensure optimum burning of fuel. DSL also uses a heat recuperator, in order to recover waste heat in exhaust gasses. This energy is used to heat incoming fresh combustion air.

c) Quality Management System

All materials processed by DSL are approved after obtaining a verified material testing report (MTC). DSL products are approved by PSQCA (Pakistan Standards & Quality Control Authority). Finished product characteristics are thoroughly measured by testing against international ASTM (American Society for Testing Materials) and UK Cares BS-4449 (British Standard for Reinforced Steel Rebar Standards). Material properties of the rebar are tested in a dedicated lab containing state of the art and using ultimate tensile testing machines.

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 of the Company M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants have expressed adverse opinion in their audit report for the financial year ended 30 June 2021. The qualification and reservations and our para wise comments on the qualification and reservations are as follows:

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

Sr. No.	Reservation / Qualification	Responses
01	<p>The Company, as stated in note 2, has incurred a net loss Rs. 175.002 m and its accumulated losses are Rs. 1,415.438 m. The current liabilities of the company exceed its current assets by Rs. 651.205 m and liquid assets by Rs. 682.832 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. 69.863 m during the year and was unable to obtain additional finance. 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 circumstances use of going concern assumption is not appropriate;</p>	<p>The Company is making all its efforts for potential investment, joint venture strategic alliance / partnership to overcome the working capital crisis being faced by the Company. The Company is hopeful that our efforts will be successful in near future and the Company will be able to resume its operations and will earn profits in coming financial years and it will be able to mitigate all its losses and fulfill all its obligations and pay back all loans and payables in normal course of the business.</p>

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000. Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

02	<p>Advance for issuance of shares – unsecured from Crescent Star Insurance Limited (CSIL) and its assignees amounting to Rs. 354.279 m as disclosed in note 17, out of it M/s Dynasty Trading (Private) Limited (DTPL) confirmed amount due to it of Rs. 247.995 m and balance amount remained unconfirmed. The amount of Rs. 354.279 m is due to CSIL and its assignees, however CSIL is now disputing assignment to Dynasty Trading (Private) Limited (DTPL) (Refer 17 and 24). Further we were also unable to confirm these balances by alternative means;</p>	<p>The CSIL assigned the amount of advance against issuance of shares to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited. All legal obligations and matters were complied with and advance was assigned with the mutual consent of CSIL, the Company, Dynasty Trading (Private) Limited and Din Corporation (Private) Limited. The assignment was duly approved by the Board of the Company. All the Parties involved have signed the necessary legal documentation pertaining to the assignment.</p>
03	<p>We did not receive responses to our letters requesting for confirmations from banks amounting to Rs. 0.061 m/-. Further bank statements of 15 out of 17 banks were also not provided by the management. Therefore, due to lack of sufficient appropriate evidence we were unable to determine whether any adjustment might have been necessary;</p>	<p>Because the company has stop its production activity due to non-availability of sufficient working capital since 2018, therefore all these banks are stated dormant and not has been used by the company by more than two years.</p>
04	<p>The syndicate long term finance (LTF) of Rs. 793.815 m, mark up accrued (freezed) thereon of Rs. 614.940 m, accrued mark up on overdue portion of LTF of Rs. 169.695 m and mark up charged during the year of Rs. 59.854 m as disclosed in note 18, 19, 22 and 28 respectively, remained unconfirmed. Further the company has breached the covenants of the long term financing and as per the requirement of the IAS 1 (Presentation of Financial Statements), has not classified its long term financing into current liabilities, which constitute the departure from International Financial Reporting Standard. Moreover, the company have discontinued payments of installments however no information regarding consequent default penalty or additional mark-up not incorporated in the financial statements, is available. Therefore, accuracy of the figures could not be ascertained;</p>	<p>Due to the onset of the pandemic, the agent failed to effectively communicate within the entire syndicate and between the lenders and the borrower. As a result a consensus could not be reached between the stake holders within the required time and therefore confirmation of balances could not be completed.</p>
05	<p>Balance confirmation requests remained un-responded in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/services' amounting to Rs. 35.562 m, Rs. 0.431 m, Rs. 40.490 m, Rs. 42.482 m and Rs.</p>	<p>Due to the unorganized nature of the trade creditors and the onset of the covid pandemic, most of these could not be reached and organized.</p>

	1.026 m respectively. We were unable to satisfy ourselves by alternative means;	
06	The Company has not conducted impairment testing of its property, plant and equipment (note 5) as on 30 June 2021 under the IAS 36, Impairment of Assets which constitute departure from International Financial Reporting Standards. We consider it is necessary at the year-end as the production of the company has been stopped since 2019. Any impact of the same on assets and statement of profit or loss of the Company is not determined;	The company has conducted, In-house impairment testing with regular intervals, for this purpose company has retained sufficient qualified employees on its payroll. Furthermore the type of plant is not subjected to rapid technological changes therefore the company believes that the plant and machinery is not subjected to impairment.
07	Confirmation from 6 Legal Advisors and consultants, of the company regarding pending litigations and contingencies as on 30 June 2021 were not received therefore completeness of contingencies as disclosed in note 24 cannot be commented upon;	Due to the onset of the covid pandemic, lawyers from the rural part of the province could not be organized to provide the confirmations in time.
08	The company had not appropriately complied with requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution. Neither consequent impact of default penalty/surcharge due to non-compliance of related provisions of the relevant laws has been quantified nor it has been disclosed in these financial statements. These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements";	Due to non-operational of core business activities most of 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 will be able, financially, these liabilities will be pay off.
09	The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 4.17 and 21 to the financial statements and the impact of the non-compliance of IAS 19 on financial statements has not been quantified;	Write last years note

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

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 2021 and shall retire on the conclusion of the 18th 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 2022 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 2021 and future outlook. The directors endorse the contents of the review.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on 30 June 2021 is attached separately.

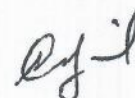
Acknowledgement

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

On behalf of the Board of Directors



Jamal Iftakhar
Chief Executive Officer
Lahore: 06 October 2021



Saad Zahid
Director

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,

Karachi Office:

101, Chapal Plaza,
Hasrat Mahani Road,

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,

CHAIRMAN'S REVIEW

It is my pleasure to present this 18th Annual Report for the year ended June 30, 2021 to the shareholders of the Company pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards accomplishing its aims and objectives.

This year again your Company could not start operational activity, impacting our bottom line. The management is aware of the challenges and continues its efforts. Add to this, the global outbreak of COVID – 19 pandemic and the dynamics of industry have witnessed paradigm shift coming with their own pros and cons. But still it may not be out of place to endorse here that steels sector seems to enjoy the atrociously rare luxury of being positively impacted. This presents Dost Steels Limited ("DSL") a remarkable set of opportunities to thrive upon. To materialize those opportunities in to promising results, it needs anticipation, reactivity and primarily your confidence in the Company. It would not be out of context to mention the parabolic trends in terms of revenue witnessed recently but it was support and vision of our investors that has helped us to continue during times of distress. I would like to thank you for your assurance in DSL for starting of our operation and provide ample opportunity for the company's growth.

During the course of the financial year 2020-2021 the Board of Directors and its sub-committees worked with a marked level of diligence and proficiency to best advice and guide the Company towards achieving its potential. The Board of Directors as a whole has reviewed the annual report and financial statement and are pleased to confirm that in their view the annual report and the financial statement taken as a whole, are, fair, balanced and comprehensive.

An annual self-assessment is carried out to determine the effectiveness and performance of the Board of Directors, the integral components of which include, strategic planning, composition, policies & procedures, compensation procedures and completeness of information provision. The outcome of this assessment is that the directors feel that the Board of Directors are engaged in strategic matters, has put in place the required controls and gets all necessary information in a timely manner. The Directors further feel that the Independent Directors are equally involved in all decision.

I would like to thank company's valued customers suppliers and shareholders for their continued trust and appreciation the efforts of all employees for working in difficult conditions.

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.



Shahab Mahboob Vora
Chairman, Board of Directors

Lahore
06 October 2021

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town,

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

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.

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi- 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan

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.

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

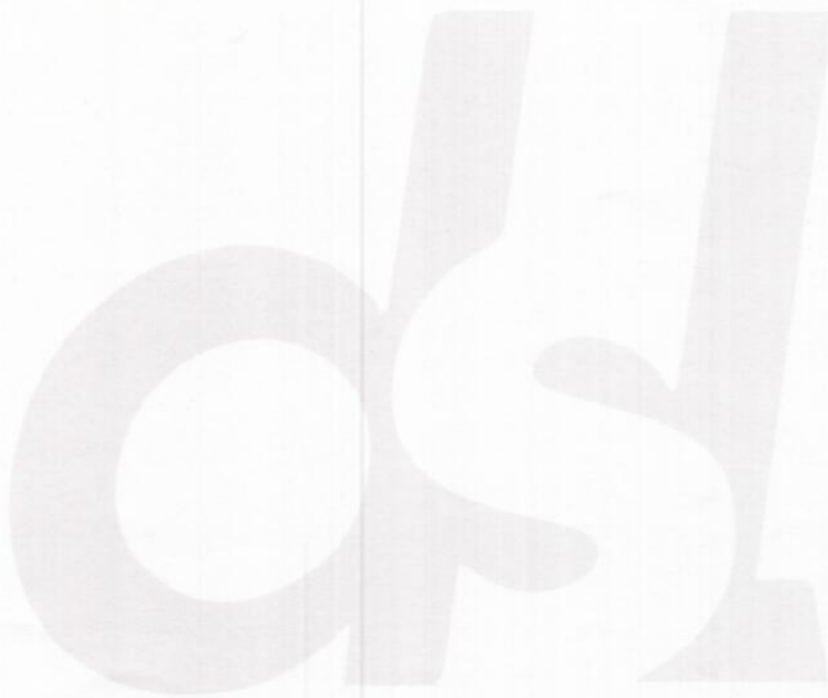
52 km, Multan Road,
Phoolnagar - 55260,
Pakistan

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.



Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town,

Karachi Office:

101, Chopal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan



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 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, except for the non compliance of mandatory requirements as highlighted in paragraph 18 of statement of compliance, 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 2021.

Further, we highlight paragraph 19 giving explanations of the instances of other non-compliances with the requirements of the Regulations.

Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants
Engagement Partner: Rashid Rahman Mir
Place: Lahore.
Date:

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

DOST STEELS LIMITED ("THE COMPANY") FOR THE YEAR ENDED 30 JUNE 2021

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

1. The total number of directors are nine as per the following:

- a. Male: 08
- b. Female: 01

2. The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director	Mr. Shahab Mahboob Vora (Chairman)
Non-Executive Directors	Mr. Mustafa Jamal Iftakhar Mrs. Mona Zahid* Mr. Bilal Jamal Iftakhar Mr. Muhammad Shakeel (Nominee of National Bank of Pakistan) Mr. Asim Jilani (Nominee of Faysal Bank Limited)
Executive Director	Mr. Jamal Iftakhar (CEO) Mr. Zahid Iftakhar Mr. Saad Zahid
Female Director	Mrs. Mona Zahid*

The Company could not appoint required number of Independent directors as per Regulation 6, who meet criteria Under Section 166 of Companies Act 2017, in view of financial crises of the company people were not willing to accept directorship.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of significant policies along with their dates of approval or updating is maintained by the company.

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town.

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.

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 Companies Act 2017 ("Act") and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recordings and circulating minutes of meeting of the board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Presently only 2 out of 9 directors have completed the training. The Board could not arrange directors training program during the year for the remaining directors.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The CFO doesn't meet the qualification criteria given in Regulation 22. Head of Internal Audit was appointed on 27 November 2020 to fill in position vacant since 24 June 2020. He doesn't meet qualification criteria given in Regulation 23.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

Audit Committee

Mr. Bilal Jamal Iftakhar (Chairman)
Mr. Mustafa Jamal Iftakhar (Member)
Mr. Shahab Mahboob Vora (Member) (Independent Director)

Chairman Audit Committee is a Non Executive director. (Refer paragraph 2 above)

HR and Remuneration Committee

Mr. Shahab Mahboob Vora (Chairman) (Independent Director)
Mr. Jamal Iftakhar
Mr. Bilal Jamal Iftakhar

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

a) Audit Committee:

Four meetings during the year

b) HR and Remuneration Committee:

Once during the year

Head Office:

4th Floor, Ibrahim Trade Centre,
1-Aibak Block, Barkat Market,
New Garden Town

Karachi Office:

101, Chapal Plaza,
Hasrat Mohani Road,
Karachi - 74000, Pakistan.

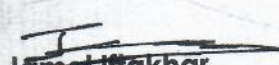
Mill Site:

52 km, Multan Road,
Phoolnagar - 55260,
Pakistan.


15. The Board has set up an effective internal audit function experienced for the purpose and are conversant with the policies and procedures of the company; subject to the matter highlighted in paragraph 10 above.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 requirement of appointment of Independent directors required by Regulation 6;(refer paragraph 2 above) and the Chairman of Audit Committee is not an Independent Director as required by Regulations 27 (Refer paragraph 12).
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Regulation - 19 (Paragraph-9 of the Statement of Compliance) - Directors Training Program.	Regulation 19 of CCG Regulations 2019 encourages the directors training program. Dost Steels Limited being a responsible and compliant company has already arranged DTP in the past for directors and plans to do the same in the future, as soon as it over comes it financial constraints.
Regulation - 22 & 23 (Paragraph-10 and 15 of the Statement of Compliance Qualification of CFO & Head of Internal Audit)	In view of lack of financial resources appropriate hiring could not be made, however steps are being taken to hire qualified CFO & Head of Internal Audit.

For and on behalf of the Board
Dost Steels Limited


Jamal Iftakhar
 Chief Executive Officer
 4th Floor, Ibrahim Trade Centre,
 1-Aibak Block, Barkat Market,
 New Garden Town.


Saad Zahid
 Director
 101, Chapal Plaza,
 Hasrat Mohani Road,
 Karachi - 74000, Pakistan.


Shahab Mahboob Vora
 Chairman
 52 km, Multan Road,
 Phoolnagar - 55260,
 Pakistan.



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 2021**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters as discussed in the **Basis for Adverse Opinion** section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at **30 June 2021** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

1. The Company, as stated in note 2, has incurred a net loss Rs. 175.002 m and its accumulated losses are Rs. 1,415.438 m. The current liabilities of the company exceed its current assets by Rs. 651.205 m and liquid assets by Rs. 682.832 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. 69.863 m during the year and was unable to obtain additional finance. 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 circumstances use of going concern assumption is not appropriate;



2. Advance for issuance of shares – unsecured from Crescent Star Insurance Limited (CSIL) and its assignees amounting to Rs. 354.279 m as disclosed in note 17, out of it M/s Dynasty Trading (Private) Limited (DTPL) confirmed amount due to it of Rs. 247.995 m and balance amount remained unconfirmed. The amount of Rs. 354.279 m is due to CSIL and its assignees, however CSIL is now disputing assignment to Dynasty Trading (Private) Limited (DTPL) (Refer 17 and 24). Further we were also unable to confirm these balances by alternative means;
3. We did not receive responses to our letters requesting for confirmations from banks amounting to Rs. 0.061 m/-. Further bank statements of 15 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;
4. The syndicate long term finance (LTF) of Rs. 793.815 m, mark up accrued (freezed) thereon of Rs. 614.940 m, accrued mark up on overdue portion of LTF of Rs. 169.695 m and mark up charged during the year of Rs. 59.854 m as disclosed in note 18, 19, 22 and 28 respectively, remained unconfirmed. Further the company has breached the covenants of the long term financing and as per the requirement of the IAS 1 (Presentation of Financial Statements), has not classified its long term financing into current liabilities, which constitute the departure from International Financial Reporting Standard. Moreover, the company have discontinued payments of installments however no information regarding consequent default penalty or additional mark up not incorporated in the financial statements, is available. Therefore, accuracy of the figures could not be ascertained;
5. Balance confirmation requests remained un-responded in respect of ‘trade creditors’, ‘contract liabilities’, ‘long term security deposits’, ‘trade debtors’ and ‘advances for supplies/services’ amounting to Rs. 35.562 m, Rs. 0.431 m, Rs. 40.490 m, Rs. 42.482 m and Rs. 1.026 m respectively. We were unable to satisfy ourselves by alternative means;
6. The Company has not conducted impairment testing of its property, plant and equipment (note 5) as on 30 June 2021 under the IAS 36, Impairment of Assets which constitute departure from International Financial Reporting Standards. We consider it is necessary at the year end as the production of the company has been stopped since 2019. Any impact of the same on assets and statement of profit or loss of the Company is not determined;
7. Confirmation from 6 Legal Advisors and consultants, of the company regarding pending litigations and contingencies as on 30 June 2021 were not received therefore completeness of contingencies as disclosed in note 24 cannot be commented upon;
8. The company had not appropriately complied with requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees’ Social Security Institution and Employees’ Old Age Benefit Institution. Neither consequent impact of default penalty/surcharge due to non-compliance of related provisions of the relevant laws has been quantified nor it has been disclosed in these financial statements. These dues have not been



separately disclosed in the financial statements as per the requirement of IAS-1 “Presentation of Financial Statements”;

9. The Company has not followed the IAS-19 “Employee Benefits” for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 4.17 and 20 to the financial statements and the impact of the non-compliance of IAS 19 on financial statements has not been quantified;

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the **Basis for Adverse Opinion** section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (KAMs)	How the matter was addressed in our audit
<p>(i) Expected Credit Loss (ECL)</p> <p>The Company has a significant balance of trade debts amounting to Rs 46.67 m. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECLs) as disclosed in note 10 with related policies in 3.4, 4.04 & 4.11.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant judgment in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none">• Obtain understanding of procedures and system of the company for recording and accounting such type of financial assets;• Obtaining an understanding of the basis for the determination of provision required at the year end and the receivables collection process; and• Checking the accuracy of the data on test basis extracted from



	the Company's accounting system which has been used to calculate the provision required including subsequent recoveries.
--	--

Information other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

- a) Except for the effects of matters explained in *Basis for Adverse Opinion* section of our report:
 - i. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
 - ii. the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
 - iii. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- b) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Mr. Rashid Rahman Mir.


Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS


Lahore:

DOST STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	5	2,554,663,806	2,574,801,963
Intangible assets	6	333,405	666,810
Long term security deposits	7	40,521,445	40,521,445
Deferred tax assets	8	-	-
		2,595,518,656	2,615,990,218
Current Assets			
Stores and spares		26,845,775	26,853,768
Stock in trade	9	4,781,225	31,708,408
Trade debtors	10	8,933,358	6,417,487
Advances	11	1,242,237	2,035,120
Other receivables	12	-	-
Taxes refundable/adjustable	13	8,494,586	8,101,398
Cash and bank balances	14	93,497	903,290
		50,390,678	76,019,471
TOTAL ASSETS		2,645,909,334	2,692,009,689
<u>EQUITY</u>			
Share Capital and Reserves			
Authorized share capital	15	3,600,000,000	3,600,000,000
Issued, subscribed and paid up capital	15	3,157,338,600	3,157,338,600
Discount on issue of right shares	16	(1,365,481,480)	(1,365,481,480)
Accumulated losses		(1,415,438,292)	(1,240,436,419)
Total Equity		376,418,828	551,420,701
<u>LIABILITIES</u>			
Non-Current Liabilities			
Advance for issuance of shares - unsecured	17	358,100,019	358,100,019
Long term financing - secured	18	571,436,132	664,587,096
Mark up accrued on secured loans	19	614,940,264	614,940,264
Deferred liabilities	20	23,418,350	19,141,845
		1,567,894,765	1,656,769,224
Current Liabilities			
Trade and other payables - unsecured	21	85,665,250	84,706,581
Accrued mark up	22	169,694,601	109,840,953
Short term borrowings - unsecured	23	223,751,510	159,349,198
Current and overdue portion of long term financing		222,378,571	129,753,982
Provision for taxation		105,809	169,050
		701,595,741	483,819,764
Contingencies and Commitments	24		
Total Liabilities		2,269,490,506	2,140,588,988
TOTAL EQUITY AND LIABILITIES		2,645,909,334	2,692,009,689

The annexed notes 01 to 43 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director




DOST STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Sales	25	7,053,960	11,270,030
Cost of sales	26	(61,375,236)	(60,985,653)
Gross loss		(54,321,276)	(49,715,623)
Administrative and selling expenses	27	(61,763,625)	(103,100,474)
Finance cost	28	(59,898,943)	(92,015,280)
Other operating income	29	1,087,780	3,894,063
Loss before taxation		(174,896,064)	(240,937,314)
Taxation	30	(105,809)	(169,050)
Loss after taxation		(175,001,873)	(241,106,364)
<u>Other Comprehensive Income-Net of Tax</u>			
Items that will never be reclassified to profit or loss:			
Remeasurement of staff gratuity (loss)/gain		-	-
Related impact on deferred tax		-	-
Items that will be reclassified to profit or loss			
		-	-
Total comprehensive loss for the year		(175,001,873)	(241,106,364)
Loss per share - basic and diluted	31	(0.55)	(0.76)

The annexed notes 01 to 43 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 2021

	Issued, subscribed and paid up capital	Discount on issue of right shares	Revenue Reserve	Total
			Accumulated losses	
----- Rupees -----				
Balance as at July 01, 2019	3,157,338,600	(1,365,481,480)	(999,330,055)	792,527,065
Total comprehensive loss for the year	-	-	(241,106,364)	(241,106,364)
Balance as at June 30, 2020	3,157,338,600	(1,365,481,480)	(1,240,436,419)	551,420,701
Total comprehensive loss for the year	-	-	(175,001,873)	(175,001,873)
Balance as at June 30, 2021	3,157,338,600	(1,365,481,480)	(1,415,438,292)	376,418,828

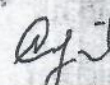
The annexed notes 01 to 43 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer




Director



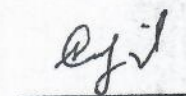
DOST STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(174,896,064)	(240,937,314)
Adjustments for non cash items:		
Depreciation	19,623,396	22,101,990
Amortization	333,405	333,405
Finance cost	59,898,943	92,015,280
Provision for gratuity	4,276,505	4,498,255
Bad debts	5,545,944	24,758,931
Exchange (Gain)/ Loss	(1,066,560)	363,600
Gain on disposal of fixed assets	-	(12,033)
Creditors written back	-	(3,368,558)
Provision reversed during the year	-	(506,560)
Interest Income	(17,353)	(38,212)
	<u>88,594,280</u>	<u>140,146,098</u>
Operating cash flow before working capital changes	(86,301,784)	(100,791,216)
Working capital changes:		
(Increase)/decrease in current assets:		
Stores and spares	7,993	-
Stock in trade	26,927,183	15,827,462
Trade debtors	(7,311,815)	20,231,811
Advances	42,883	1,450,750
Short term prepayments	-	856,645
Other receivables	-	506,560
Tax refund due from government	(393,188)	4,203,659
	<u>2,025,229</u>	<u>51,267,115</u>
Increase/(decrease) in current liabilities:		
Trade and other payables		
	<u>21,298,285</u>	<u>94,344,002</u>
Cash Inflow from working capital		
	<u>(65,003,499)</u>	<u>(6,447,214)</u>
Cash used in operations	(45,295)	(604,115)
Finance cost paid	(169,050)	(7,208,225)
Taxes Paid	(65,217,844)	(14,259,554)
Net cash used in operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Long term security deposits	-	330,000
Interest received	17,353	38,212
Net cash generated from investing activities	<u>17,353</u>	<u>368,212</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing - secured	(526,375)	-
Receipt of short term borrowings- unsecured	64,917,073	12,907,417
Net cash generated from financing activities	<u>64,390,698</u>	<u>12,907,417</u>
Net decrease in cash and cash equivalents during the year	(809,793)	(983,925)
Cash and cash equivalents at beginning of the year	903,290	1,887,215
Cash and cash equivalents at the end of the year	14 93,497	903,290

The annexed notes 01 to 43 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 2021

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 (The Ordinance), now the Companies Act, 2017. The Company was converted into public limited company with effect from May 20, 2006 and then listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) with effect from November 26, 2007.

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

Geographical location and address of business units/plants

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

2 GOING CONCERN ASSUMPTION

The Company has incurred a net loss of Rs. 175.002 million (2020: Rs. 241.106 million) and its accumulated losses are Rs. 1,415.438 million (2020: Rs. 1,240.436 million). The current liabilities of the company exceeds its current assets by Rs. 651.205 million and liquid assets by Rs. 682.832 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, 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 (note 24).

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

3 BASIS OF PREPARATION

3.1 Statement of Compliance

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

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

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

3.2 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.



3.3 Basis of Measurement

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 flow information.

3.4 Use of Estimates And Judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Property, plant and Equipment

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

- Income Taxes

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

- Trade and other receivables

The Company regularly reviews its trade and other receivables in order to estimate the provision required against bad debts (Refer note 4.04).

- 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 statement of profit or loss and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/asset. (Refer note 4.17).

3.5 Initial Application of a Standard, Amendment or an Interpretation to an Existing Standard and Forthcoming Requirements

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

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

- IAS 1 -Presentation of Financial Statements- (Amendments regarding the definition of material)
- IAS 8 -Accounting Policies, Changes in Accounting Estimates and Errors- (Amendments regarding definition of material)
- IFRS 3 - Business Combinations - (Amended-definition of business)
- IFRS-7 Financial Instruments disclosure- (Amendments regarding replacement issues in the context of the IBOR reform)
- IFRS-9 Financial Instruments- (Amendments regarding replacement issues in the context of the IBOR)
- IFRS-16 Leases- (Amendments regarding replacement issues in the context of the IBOR reform)



- IFRS-16 Leases- (Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification)
- IAS-39 Financial Instruments: Recognition and Measurement- (Amendments regarding replacement issues in the context of the IBOR reform)

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

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

- IFRS 3 - Business Combinations - (Amendments updating a reference to the Conceptual Framework)- (applicable for annual periods beginning on or after 1 January 2022)
- IFRS 4 - Insurance Contracts - (Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) issued)
- IFRS 4 - Insurance Contracts - (Amendments regarding replacement issues in the context of the IBOR)
- IFRS 9 - Financial Instruments - (Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)- (Effective for annual periods beginning on or after 1 January 2022))
- IAS 1- Presentation of Financial Statements - (Amendments regarding the classification of liabilities)- (Effective for annual periods beginning on or after 1 January 2023)
- IAS 1- Presentation of Financial Statements - (Amendment to defer the effective date of the January 2020 amendments)- (Effective for annual periods beginning on or after 1 January 2023)
- IAS 1- Presentation of Financial Statements - (Amendments regarding the disclosure of accounting policies)- (Effective for annual periods beginning on or after 1 January 2023)
- IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors - (Amendments regarding the definition of accounting estimates)- (Effective for annual periods beginning on or after 1 January 2023)
- IAS 12- Income Taxes - (Amendments regarding deferred tax on leases and decommissioning obligations)- (Effective for annual periods beginning on or after 1 January 2023).
- IAS 16- Property, Plant and Equipment - (Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use)- (Effective for annual periods beginning on or after 1 January 2022).
- IAS 37- Provisions, Contingent Liabilities and Contingent Assets - (Amendments regarding the costs to include when assessing whether a contract is onerous)- (Effective for annual periods beginning on or after 1

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.01 Property, plant, equipment and intangibles

Property, plant, equipment

These are initially measured at cost. Subsequent to initial recognition these are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land and capital work-in-progress, which are stated at cost less any identified impairment loss. Depreciation on fixed assets is charged to 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 relevant note.

Depreciation is charged on additions during the year 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 statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Gain/ loss on disposal of fixed assets are recognized in the statement of profit or loss.



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

Intangibles

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

4.02 Stores and spares

These are valued at lower of average cost and Net Realizable Value (NRV).

4.03 Stock in trade

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

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

4.04 Trade debtors and other receivables

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

4.05 Cash and cash equivalents

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

4.06 Long term loans

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

4.07 Trade and other payables

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

4.08 Taxation

Current

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

Deferred

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

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

4.09 Provisions

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



4.10 Revenue recognition

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

4.11 Financial instruments

i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- a) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

iii) Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

iv) Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

4.12 Off-Setting of financial assets And financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and to settle the liabilities simultaneously.



4.13 Impairment

The carrying amounts of the Company's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment loss. If any such indication exists, the assets' recoverable amount is estimated and if the carrying amount of the assets is in excess of their recoverable amount, impairment loss is recognised as an expense to the extent carrying amount exceeds the recoverable amount.

4.14 Related party transactions

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

4.15 Foreign currency translation

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

4.16 Borrowing cost

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 statement of profit or loss when incurred.

4.17 Staff retirement benefit

Defined benefit plan

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

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



5 PROPERTY, PLANT AND EQUIPMENT

Operating assets

5.1 Operating Assets

Note	2021		2020	
	Rupees	Rupees	Rupees	Rupees
5.1	2,554,663,806	2,574,801,963	2,554,663,806	2,574,801,963

Particulars	OWNED							Total
	Freehold land	Building on freehold land	Plant and Machinery	Furniture and fittings	Vehicles	Office Equipment	Electric Equipment	
Year ended June 30, 2021								
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
Accumulated depreciation	-	(68,652,556)	(4,481,784)	(3,067,209)	(687,144)	(913,377)	(6,351,456)	(4,267,638)
Year Ended June 30, 2020								
Cost	157,876,220	163,894,046	2,226,268,945	742,090	150,356	1,014,925	3,913,318	803,906
Accumulated depreciation	-	(50,442,106)	(4,481,784)	(2,936,252)	(2,378,701)	(731,187)	(5,660,869)	(3,923,108)
Year ended June 30, 2021								
Opening net book value	157,876,220	182,104,496	2,226,268,945	873,047	729,799	1,197,115	4,603,905	1,148,436
Additions	-	-	-	873,047	729,799	1,197,115	4,603,905	1,148,436
Deletion	-	-	-	-	-	-	-	-
Depreciation charged	-	(18,210,450)	-	(130,957)	(514,761)	(182,190)	(690,587)	(344,530)
Net book value as at June 30, 2021								
Year ended June 30, 2020								
Opening net book value	157,876,220	163,894,046	2,226,268,945	742,090	150,356	1,014,925	3,913,318	803,906
Additions	157,876,220	202,338,329	2,226,268,945	1,046,280	958,403	1,411,455	5,476,666	1,640,622
Deletion	-	-	-	-	-	-	-	-
Depreciation charged	-	(20,233,833)	-	(17,728)	(41,538)	-	(53,701)	-
Net book value as at June 30, 2020								
	157,876,220	182,104,496	2,226,268,945	873,047	729,799	1,197,115	4,603,905	1,148,436
Rate of Depreciation	-	10%	Units of production	15%	20%	15%	15%	30%

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

Note	2021	2020
	Rupees	Rupees
Cost of sales	19,101,570	21,412,675
Administrative and selling expenses	521,826	689,315
	19,623,396	22,101,990

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

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

5.1.4 The aggregate carrying amount of disposals during the year was not exceeding five million further the vehicles having carrying amount of Rs. 514,761/- was sold to a directors.



	Note	2021 Rupees	2020 Rupees
6 INTANGIBLE ASSETS			
Computer Software			
COST			
At the beginning of the year		1,111,350	1,111,350
Addition during the year		-	-
Balance as at June 30,		1,111,350	1,111,350
ACCUMULATED AMORTIZATION			
At the beginning of the year		(444,540)	(111,135)
Amortization charge for the year		(333,405)	(333,405)
Balance as at June 30,		(777,945)	(444,540)
Written down value as at June 30,		333,405	666,810
The Company amortizes intangible asset on straight line basis over the period of useful life @ 30%.			
The remaining useful life of intangible asset as on 31 June 2021 would be 1 years.			
7 LONG TERM SECURITY DEPOSITS			
Against utilities		40,251,445	40,251,445
Against rent		210,000	210,000
Others		60,000	60,000
		40,521,445	40,521,445
8 DEFERRED TAX ASSETS			
		-	-
The company has not recognised deferred tax asset amounting to Rs. 158,067,319/- (2020: 476,708,818/-) in respect of temporary differences arising from carrying values and tax base of assets and liabilities and unused tax losses, in view of prudence and to cover uncertainty factor.			
9 STOCK IN TRADE			
Raw material		4,781,225	4,781,225
Work in process		-	17,955,072
Finished goods		-	8,972,111
		4,781,225	31,708,408
10 TRADE DEBTORS			
Unsecured and considered good by the management			
Trade debtors		46,669,340	39,357,525
Remeasurement of expected credit loss	10.1	(37,735,982)	(32,940,038)
		8,933,358	6,417,487
10.1 Remeasurement of expected credit loss			
Opening balance		32,940,038	13,284,848
Charged for the year		4,795,944	19,655,190
Closing balance		37,735,982	32,940,038
11 ADVANCES			
Unsecured and considered good by the management			
Advances			
To employees - against expenses		24,898	67,781
For supplies/ services	11.1	1,208,110	1,958,110
Letter of credits	11.2	-	-
Margin against letter of credits		9,229	9,229
		1,242,237	2,035,120



	Note	2021 Rupees	2020 Rupees
11.1	For supplies/services	3,526,502	3,526,502
	Provision against doubtful advances		
	Opening balance	1,568,392	1,200,000
	Charged for the year	750,000	368,392
	Closing balance	(2,318,392)	(1,568,392)
		1,208,110	1,958,110
11.2	Advance letter of credits	-	3,631,900
	Provision against letter of credits	-	(3,631,900)
		-	-
12	OTHER RECEIVABLES		
	Other receivables	-	-
	Provision against doubtful receivable		
	Opening balance	-	506,560
	Charged for the year	-	
	Provision reversed during the year	-	(506,560)
	Closing balance	-	-
		-	-
13	TAXES REFUNDABLE/ ADJUSTABLE		
	Advance income tax	7,952,912	7,752,512
	Input sales tax	541,674	348,886
		8,494,586	8,101,398
14	CASH AND BANK BALANCES		
	Cash in hand	7,400	8,982
	Cash at banks:		
	- current accounts	64,490	361,969
	- deposit accounts	21,607	532,339
		86,097	894,308
		93,497	903,290

14.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 2,757/- (30 June 2020: Rs. 513,742/-). Management of the company as per arrangement can't withdraw amounts once deposited in this bank account.

15 SHARE CAPITAL

	June 30, 2021	June 30, 2020			
Number of shares					
AUTHORIZED SHARE CAPITAL	360,000,000	360,000,000	Authorized share capital of Rs. 10 each	3,600,000,000	3,600,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			Ordinary share of Rs.10 each		
	315,733,860	315,733,860	fully paid in cash	3,157,338,600	3,157,338,600

15.1 It includes 84,166,705 (June 2020: 84,166,705) ordinary shares of Rs.10/- each amounting to Rs. 841,667,050/- (June 2020: 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 shares is not required in view of no change.



	Note	2021 Rupees	2020 Rupees
16 DISCOUNT ON ISSUE OF RIGHT SHARES		1,365,481,480	1,365,481,480

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

17 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED

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

The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL), associated company, and directors of the company which will be adjusted against shares in capital of the company whenever there is next issue. These amounts are un-secured and interest free. In the previous years, CSIL assigned aggregate amount of Rs. 247,995,000/- and Rs. 57,768,000/- to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited respectively under an assignment agreement executed on February 12, 2019. The notice of assignment was given on February 08, 2019 which was approved by the board on February 27, 2019. Subsequently CSIL has controverted/ disputed assignment in favour of Dynasty Trading (Private) Limited. Management is of the view that presently there is no dispute regarding total amount payable and dispute pertains to whom it is payable. At that time CEO of CSIL was also chairman and director of Dost Steels Limited. Refer note 24 also on contingencies.

18 LONG TERM FINANCING - SECURED

From banking companies and financial institutions

Term finance - restructured facilities	18.1		
Opening balance		794,341,078	794,341,078
Paid during the year		(526,375)	-
		793,814,703	794,341,078
Less: Current portion		(93,150,964)	(69,863,222)
Less: Overdue portion	18.1.1	(129,227,607)	(59,890,760)
		(222,378,571)	(129,753,982)
		571,436,132	664,587,096

- 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 Syndicated loan, whereby Faysal Bank Limited is acting as agent of the syndicate. Due to absence of cash flow and delayed commissioning of the project and subsequent closure of the production, DSL was and is 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 mark up, mark up 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 Mark up calculated will be converted into a "Zero Coupon 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 Karachi Stock Exchange Limited (Now Pakistan Stock Exchange Limited).



	Note	2021 Rupees	2020 Rupees
ii)	Option II : Waiver of 85% of the mark up up to the date of the commissioning. The 15% remaining mark up would be payable within 2 years after complete repayment of restricted 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 mark up.		
b)	The Mark up 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 full amount due upto 30 June 2021 including the partial instalment of fourth quarter of year 2019, all four instalments of last year, all four instalments of current year and full portion of Pak Kuwait Investment Company (Private) Limited. Pak Kuwait Investment Company (Private) Limited has neither signed the restructuring agreement nor accepted the payment.		
19	MARK UP ACCRUED ON SECURED LOANS		
	On secured loans	614,940,264	614,940,264
	Refer note 18		
20	DEFERRED LIABILITIES		
	Deferred taxation	-	-
	Staff gratuity	20.1 23,418,350	19,141,845
		23,418,350	19,141,845
20.1	Staff gratuity		
	Movement in net defined benefit obligation recognized in statement of financial position:		
	Opening balance	19,141,845	14,643,590
	Provision for the year	20.1.1 4,276,505	4,498,255
		23,418,350	19,141,845
	Less: Payments made during the year	-	-
		23,418,350	19,141,845
20.1.1	The Company operates a non-funded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity scheme are undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2019, using the "Projected Unit Credit Method". However, the amount is charged on the basis of last drawn salary of eligible employees with the company as on 30 June 2021.		
	Provision of gratuity for the year has been allocated as follows:		
	Cost of sales	26.1 608,505	608,505
	Administrative and selling expenses	27.1 3,668,000	3,889,750
		4,276,505	4,498,255
21	TRADE AND OTHER PAYABLES - UNSECURED		
	Creditors	45,820,415	47,458,183
	Contract liabilities	493,778	493,778
	Accrued liabilities	36,339,716	33,465,106
	Payable to old employees	3,011,341	3,011,341
	Taxes payable	-	278,173
		85,665,250	84,706,581
22	ACCRUED MARK UP		
	Long term financing - secured	169,694,601	109,840,953
	It represents mark up pertaining to over due portion (as explained in note 18). It includes Rs. 24,445,818/- payable to Pak Kuwait Investment Company (Private) Limited as they have not yet accepted and signed the restructuring agreement.		



	Note	2021 Rupees	2020 Rupees
23 SHORT TERM BORROWINGS - UNSECURED			
Loan from directors		197,850,493	134,967,181
Loan from sponsors		25,901,017	24,382,017
		<u>223,751,510</u>	<u>159,349,198</u>

These loans are unsecured, interest free, obtained to facilitate the company for working capital requirement and had been utilized accordingly. The movement during the year is due to loan obtained amounting to Rs. 25,869,120/-, salaries and allowances amounting to Rs. 39,047,953/- payable to directors transferred to their short term borrowings and adjustment amounting to Rs. 514,761/- against sale of vehicles to the directors.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 The Company is not exposed to any contingent liability in respect of syndicated loan at the Statement of Financial Position date, in view of restructuring agreement - Note 18.

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

24.1.2 The company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL) as described in note 17. The advance is interest free and the fact was confirmed in the confirmation for the year ended 30 June 2016. The CSIL after the right issue unilaterally started claiming mark up @ 1 year KIBOR + 3% which the company does not accept being against the agreed terms and is apparently illegal demand. The amount of disputed markup as on 30 June 2020 calculates to Rs. 187,474,579/-. CSIL has also filed civil suit disputing assignment of Rs. 247,995,000/- in favour of Dynasty Trading (Private) Limited as disclosed in note 17.

24.2 Commitments

Non-capital commitments - Post dated cheques	2,478,128	3,444,535
--	-----------	-----------

There are no other contingencies or commitments of the Company except as described above.

25 SALES

Bar sales	-	8,551,946
End cut	8,464,752	4,954,374
	8,464,752	13,506,320
Less : Sales tax	(1,410,792)	(2,236,290)
	<u>7,053,960</u>	<u>11,270,030</u>



	Note	2021 Rupees	2020 Rupees
26 COST OF SALES			
Raw material consumed			
Opening stock of raw material		4,781,225	4,781,225
Add: Purchased during the year		-	-
Less: Closing stock of raw material		(4,781,225)	(4,781,225)
Manufacturing overheads			
Salaries, wages and other benefits	26.1	8,776,895	16,378,228
Stores and spares consumed		7,993	-
Fuel, power and water		6,394,274	6,913,908
Travelling and conveyance		1,050	11,030
Rent, rates and taxes		-	247,331
Mess expenses		-	23,917
Entertainment		21,120	17,202
Repair and maintenance		127,810	253,026
Printing and stationery		1,425	600
Internet charges		12,096	51,564
Insurance		-	794,708
Depreciation	5.1.1	19,101,570	21,412,675
Others		3,820	8,722
		34,448,053	46,112,911
Add: Opening stock of work in process		17,955,072	18,909,792
Less: Input sales tax adjustment		-	(954,720)
Less: Closing stock of work in process		-	(17,955,072)
		17,955,072	-
Cost of goods manufactured		52,403,125	46,112,911
Add: Opening stock of finished goods		8,972,111	23,844,853
Less: Closing stock of finished goods		-	(8,972,111)
		8,972,111	14,872,742
		61,375,236	60,985,653

26.1 Salaries, wages and other benefits include Rs. 608,505/- (2020 : 608,505) in respect of gratuity (note 20.1).

27 ADMINISTRATIVE AND SELLING EXPENSES

Salaries and other benefits	27.1	48,949,423	62,934,404
Utilities		302,705	766,134
Rent, rates and taxes		1,036,291	1,963,011
Printing and stationery		23,376	121,360
Vehicle running and maintenance		441,133	1,695,276
Telephone, postage and couriers		137,290	563,335
Auditors' remuneration	27.2	665,100	743,850
Legal and professional charges		1,619,837	5,133,654
Entertainment expenses		56,421	298,286
Repairs and maintenance		444,542	158,982
Traveling and conveyance		130,044	398,440
Freight outward		-	16,000
Insurance		-	61,937
Advertising expenses		-	96,800
Fees and subscription		1,551,288	1,862,650
Bad debts	27.3	5,545,944	24,758,931
Depreciation	5.1.1	521,826	689,315
Amortization	6	333,405	333,405
Tax charged u/s 137		-	225,552
Default surcharge		-	52,621
General expenses		5,000	226,531
		61,763,625	103,100,474

27.1 Salaries, wages and other benefits include Rs. 3,668,000/- (2020 : Rs. 3,889,750/-) in respect of gratuity (note 20.1).



	Note	2021 Rupees	2020 Rupees
27.2 Auditors' remuneration			
Audit fee		381,000	381,000
CCG review fee		70,000	70,000
Interim half yearly review fee		156,600	156,600
Other certification charges		42,000	120,750
Out of pocket expenses		15,500	15,500
		<u>665,100</u>	<u>743,850</u>
27.3 Bad debts			
Expected credit loss on trade debtors	10.1	4,795,944	19,655,190
Provision against doubtful advances	11.1	750,000	368,392
Provision against letter of credits		-	3,631,900
Long term security deposit written off		-	29,900
Trade debtors written off		-	92,620
Advances written off		-	980,929
		<u>5,545,944</u>	<u>24,758,931</u>
28 FINANCE COST			
Mark up on long term financing		59,853,648	91,943,197
Bank charges and commission		45,295	72,083
		<u>59,898,943</u>	<u>92,015,280</u>
29 OTHER OPERATING INCOME			
<u>Income from financial instruments</u>			
Profit on bank deposit accounts		17,353	38,212
Provision reversed during the year		-	506,560
Exchange gain/ (loss)		1,066,560	(363,600)
Creditors written back		-	3,368,558
		<u>1,083,913</u>	<u>3,549,730</u>
<u>Income from non financial instruments</u>			
Miscellaneous income		3,867	332,300
Gain on disposal of fixed assets		-	12,033
		<u>3,867</u>	<u>344,333</u>
		<u>1,087,780</u>	<u>3,894,063</u>
30 TAXATION			
Current tax		105,809	169,050
Prior year tax		-	-
Deferred tax		-	-
		<u>105,809</u>	<u>169,050</u>

30.1 Relationship between tax expense and accounting profit

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

31 LOSS PER SHARE - BASIC AND DILUTED

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

Loss attributable to ordinary shareholders	Rupees	<u>(175,001,873)</u>	<u>(241,106,364)</u>
Weighted average number of ordinary shares in issue		<u>315,733,860</u>	<u>315,733,860</u>
Loss per share - basic and diluted	Rupees	<u>(0.55)</u>	<u>(0.76)</u>

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



	2021 Rupees	2020 Rupees
32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT		
32.1 Financial instrument by category		
Financial assets - At amortized cost		
Long term security deposits	40,521,445	40,521,445
Trade debtors	8,933,358	6,417,487
Advances	9,229	9,229
Cash and bank balances	93,497	903,290
	<u>49,557,529</u>	<u>47,851,451</u>
Financial liabilities - At amortized cost		
Advance for issuance of shares-unsecured	358,100,019	358,100,019
Long term financing - secured	571,436,132	664,587,096
Markup accrued on secured loans	614,940,264	614,940,264
Trade and other payables	85,171,472	83,934,630
Accrued Mark up	169,694,601	109,840,953
Short term borrowings - unsecured	223,751,510	159,349,198
Current and overdue portion of long term borrowings	222,378,571	129,753,982
	<u>2,245,472,569</u>	<u>2,120,506,142</u>

32.2 Financial risk management

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

a) Credit risk and concentration of credit risk

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

Out of the total financial assets of Rs. 49,557,529/- (2020: Rs. 47,851,451/-), the financial assets which are subject to credit risk amounted to Rs. 49,550,129/- (2020: Rs.47,842,469).

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 is as follows:

Long term security deposits	40,521,445	40,521,445
Trade debtors	8,933,358	6,417,487
Advances	9,229	9,229
Cash and bank balances	86,097	894,308
	<u>49,550,129</u>	<u>47,842,469</u>

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

1 - 30 days	-	-
Past due 31 - 60 days	-	-
Past due 61 - 180 days	4,838,917	-
Past due 181 - 365 days	3,625,835	-
Past due > 365 days	38,204,588	39,357,525
	<u>46,669,340</u>	<u>39,357,525</u>
Remeasurement of Expected Credit Loss	<u>(37,735,982)</u>	<u>(32,940,038)</u>
	<u>8,933,358</u>	<u>6,417,487</u>

Remeasurement of Expected Credit Loss - Aging

1 - 30 days	-	-
Past due 31 - 60 days	-	-
Past due 61 - 180 days	2,209,076	-
Past due 181 - 365 days	1,655,276	-
Past due > 365 days	33,871,630	32,940,038
	<u>37,735,982</u>	<u>32,940,038</u>

Credit risk related to bank balance

The bank balance represents low credit risk as this is placed with bank having good credit rating assigned by independent credit rating agency. The credit



quality of bank balance can be assessed with reference to external credit rating as follows:

Bank Name	Rating agency	Rating		2021	2020
		Short term	Long term	Rupees	Rupees
Askari Bank Limited	PACRA	A-1+	AA+	5,402	5,402
Faysal Bank Limited	VIS & PACRA	A-1+	AA	34,188	545,173
National Bank of Pakistan	VIS & PACRA	A-1+	AAA	4,100	4,100
Silk Bank Limited	VIS	A-2	A-	14,071	13,818
United Bank Limited	VIS	A-1+	AAA	10,887	247,174
Soneri Bank Limited	PACRA	A-1+	AA-	4,779	4,779
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	57	57
Bank Alfalah Limited	VIS & PACRA	A-1+	AA+	10,435	10,435
Meezan Bank Limited	VIS	A-1+	AAA	2,178	63,370
				86,097	894,308

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 need to resume commercial production. The management is also working on other option to induct a strategic investor to provide the required working capital.

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

Non-derivative financial liabilities	Carrying amount	Contractual cash flows	Six Months or less	Six to twelve months	More than one year
			----- Rupees -----		
30 June 2021					
Advance for issuance of shares-unsecured	358,100,019	358,100,019	-	-	358,100,019
Long term financing - secured	571,436,132	661,652,839	-	-	661,652,839
Markup accrued on secured loans	614,940,264	614,940,264	-	-	614,940,264
Trade and other payables	85,171,472	85,171,472	85,171,472	-	-
Accrued Mark up	169,694,601	169,694,601	169,694,601	-	-
Short term borrowings - unsecured	223,751,510	223,751,510	223,751,510	-	-
Current and overdue portion of long term borrowings	222,378,571	269,742,343	200,352,443	69,389,900	-
	2,245,472,569	2,383,053,048	678,970,026	69,389,900	1,634,693,122
30 June 2020					
Advance for issuance of shares-unsecured	358,100,019	358,100,019	-	-	358,100,019
Long term financing - secured	664,587,096	798,658,811	-	-	798,658,811
Markup accrued on secured loans	614,940,264	614,940,264	-	-	614,940,264
Trade and other payables	83,934,630	83,934,630	83,934,630	-	-
Accrued Mark up	109,840,953	109,840,953	109,840,953	-	-
Short term borrowings - unsecured	159,349,198	159,349,198	159,349,198	-	-
Current and overdue portion of long term borrowings	129,753,982	182,038,569	109,849,134	72,189,435	-
	2,120,506,142	2,306,862,444	462,973,915	72,189,435	1,771,699,094

c) Market risk

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

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's exposure to currency risk is as follows;



	2021	2020	2021	2020	2021 Rupees	2020 Rupees
	US\$		Exchange Rate			
Creditors	101,000	101,000	157.54	168.1	15,911,540	16,978,100

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 are: -

Financial liabilities	2021 Rate	2020 Rate
Variable rate - Long term financing	3 Month KIBOR	3 Month KIBOR

Interest rate risk cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit 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 profit before tax Rupees	Effect on profit before tax Rupees
Long term financing - secured	100 bps	5,714,361	6,645,871
Overdue portion	100 bps	2,223,786	1,297,540

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 2021 and at 30 June 2020 are as follows:

Total debts	1,017,566,213	953,690,276
Less: Cash and bank balances	(93,497)	(903,290)
Net debt	1,017,472,716	952,786,986
Total equity	376,418,828	551,420,701
Net debt-to-equity (Times)	2.70	1.73

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.



33 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 loan which are unsecured and interest free. There are no transactions with the key management personnel other than under their terms of employment / entitlements.

The outstanding balance payable to directors & sponsors and transactions with them are disclosed in note 17 and 23, shares held by related parties in note 15.1 and Remuneration paid to chief executive and directors is disclosed in note 34 to the financial statements. All the transactions with related parties are appropriately disclosed at relevant places in these financial statements.

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

<u>Name of Related Party</u>	<u>Basis of Relationship</u>	<u>Relationship</u>	<u>Shareholding %</u>
Mr. Jamal Iftakhar Ahmed	Shareholder & Chief Executive	Shareholding	8.762%
Mr. Zahid Iftakhar	Shareholder & Director	Shareholding	7.784%
Mr. Saad Zahid	Shareholder & Director	Shareholding	1.36%
Mr. Bilal Jamal Iftakhar	Shareholder & Director	Shareholding	2.536%

34 REMUNERATION AND OTHER BENEFITS TO CEO / DIRECTORS AND EXECUTIVES

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

	<u>Chief Executive</u>		<u>Directors</u>		<u>Executives</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	----- Rupees -----					
Managerial remuneration	15,600,000	15,600,000	21,600,000	22,106,666	3,660,000	12,658,000
Other allowances	-	-	-	-	-	-
Car allowances	-	-	1,008,000	336,000	1,200,000	2,755,582
Staff retirement gratuity	1,300,000	1,300,000	1,884,000	1,592,000	405,000	697,000
Directors' meeting fee	-	-	-	-	-	-
	<u>16,900,000</u>	<u>16,900,000</u>	<u>24,492,000</u>	<u>24,034,666</u>	<u>5,265,000</u>	<u>16,110,582</u>
Number of Person(s)	<u>1</u>	<u>(2) *</u>	<u>(3)</u>	<u>(3)</u>	<u>(2)</u>	<u>(6)</u>

* Two persons served as chief executive one after another.

Chief Executive & Directors of the company are also provided with company maintained cars.

35 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.

36 PRODUCTION CAPACITY

	<u>2021</u>	<u>2020</u>
	<u>Metric Tons</u>	
Total Installed Capacity - on three shift basis	<u>350,000.00</u>	<u>350,000.00</u>
Available Installed Capacity - on three shift basis	<u>350,000.00</u>	<u>350,000.00</u>
Actual Production	<u>-</u>	<u>-</u>

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

37 NUMBER OF EMPLOYEES

	<u>Number</u>	
Number of employees as at 30 June	<u>33</u>	<u>33</u>
Average number of employees during the year	<u>33</u>	<u>60</u>



38 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.

39 IMPACTS OF COVID-19 ON THE FINANCIAL STATEMENTS

A novel strain of corona virus (COVID-19) that was classified as a pandemic by the World Health Organization in March 2020, impacting countries globally. This pandemic has significantly affected all segments of economy. The fair value determination at the measurement date has become more challenging due to the uncertainty of the economic impact of COVID-19. The Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and management have evaluated and concluded that there is additional uncertainty other than those disclosed at note 2 and there are no material implications of COVID-19 impacts that requires disclosures/ adjustments in these financial statements.

40 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are not any events after the statement of financial position date causing any adjustment to / disclosure in financial statements.

41 CORRESPONDING FIGURES

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

42 DATE OF AUTHORIZATION FOR ISSUE

06 OCT 2021

The financial statements were authorized for issue on _____ by the board of directors of the company.

43 GENERAL

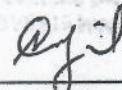
Figures in the financial statements have been rounded-off to the nearest Rupees except where stated otherwise.



Chief Executive



Chief Financial Officer



Director



DOST STEELS LIMITED**INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE****AS ON 30 JUNE 2021**

<i>CATEGORY OF SHAREHOLDERS</i>	<i>NUMBER OF SHAREHOLDERS</i>	<i>NUMBER OF SHARES HELD</i>	<i>% percentage</i>
Undertaking and Related Parties	0	-	0.000%
Investment Companies	0	-	0.000%
Sponsors, Directors, CEO and Children			
Mr. Jamal Iftakhar	1	27,380,986	8.672%
Mr. Zahid Iftakhar	1	24,577,686	7.784%
Mr. Saad Zahid	1	4,293,912	1.360%
Mr. Mustafa Jamal Iftakhar	1	7,508,710	2.378%
Mr. Shahab Mahboob Vora	1	43,000	0.014%
Mr. Bilal Jamal	1	8,007,196	2.536%
Mrs. Najma Jamal	1	2,986,043	0.946%
Mrs. Mona Zahid	1	400,000	0.127%
Mr. Raees Iftakhar	1	5,544,688	1.756%
Mrs. Naveeda Raees	1	3,424,484	1.085%
Total:-	10	84,166,705	26.657%
Executives	0	0	0.000%
Banks, DFI and NBFIs	1	9,000	0.003%
Insurance Companies	1	7,020	0.002%
Modarabas and Mutual Funds	1	365,000	0.116%
General Public (Local)	16355	210,568,155	66.692%
General Public (Foreign)	385	12,965,025	4.106%
Other	56	7,652,955	2.424%
	16798	231,567,155	73.343%
		315,733,860	100%

FORM OF PROXY

The Company Secretary
Dost Steels Limited
Room No. 401, 4th Floor,
Ibrahim Trade Centre,
1-Aibak Block Barkat Market,
New Garden Town, Lahore

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

Shares Held: _____

I/ We _____ of _____
(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 18th Annual General Meeting of the Company to be held, on 28 October 2021 at 9:30 a.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2021

(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 18th 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.

Dear Shareholders,

Consent for Circulation of Annual Audited Financial Statements through email

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

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

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

Shares Registrar

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

Yours Sincerely,
FOR DOST STEELS LIMITED
Tariq Majeed
Company Secretary

www.jamapunji.pk


 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

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