

DOST STEELS LIMITED

ANNUAL REPORT

2022

Our Vision

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

Our Mission

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

Corporate Strategies

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

COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human resource & Remuneration Committee

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

Chief Financial Officer & Company Secretary

Mr. Shahid Ali

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
Allied Bank Limited
Meezan Bank

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

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 that Annual General Meeting (AGM) of the shareholders of Dost Steels Limited (DSL or the Company) will be held on Thursday 27 October 2022 at 9:30 A.M. at the Registered Office, 4th Floor, Ibrahim Trade Centre, 1-Aibak Block, Barkat Market, new Garden Town, Lahore physically as well electronically to transact the following businesses:

1. Ordinary Business

- To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2022 together with the Directors' Report and Chairman's Review thereon.;
- To appoint Statutory Auditors of the Company for the year ending 30 June 2023 and to fix their remuneration. The Board and Audit Committee have recommended the name of **M/s Rahman Sarfaraz Rahim Iqbal Rafiq** Chartered Accountants, the retiring auditors, for appointment as Auditors of the Company.
- To elect Seven (07) Directors of the Company as fixed by the Board of Directors of the Company in accordance with the provisions of Section 159(1) of the Companies Act, 2017 for a period of three years.

The name of retiring Directors are listed as under:

| | | | |
|----|--------------------------|----|----------------------------|
| 1. | Mr. Jamal Iftakhar | 2. | Mr. Zahid Iftakhar |
| 3. | Mr. Shahab Mahboob Vora | 4. | Mrs. Mona Zahid |
| 5. | Mr. Saad Zahid | 6. | Mr. Mustafa Jamal Iftakhar |
| 7. | Mr. Bilal Jamal Iftakhar | | |

Mr. Asim Jilani nominee of Faysal Bank Limited and Mr. Muhammad Shakeel nominee of National Bank of Pakistan under Section 164 of the Companies Act, 2017 shall continue as directors of the Company till the pleasure of nominating institutions."

Other Business:

- To transact any other business with the permission of the Chair.

Note: Statement of material facts concerning the above business required under Section 166(3) of the Companies Act, 2017 is annexed below.

By order of the Board

Shahid Ali
Company Secretary

Lahore:
06 October 2022

Notes:

- The shareholders of the Company interested to participate in the general meeting through video link are requested to send their particulars (as given below) along with a valid copy of their CNIC (both sides)/passport, attested copy of the board resolution / power of attorney (in case of corporate shareholders) through email at company.secretary@doststeels.com (or through post/courier) with the subject similar to "Registration for AGM 27 October 2022 of DSL" at least 48 hours before the holding

of the general meeting. The original signed documents are required to be sent to the Company separately through courier or post, for record purposes.

| Name of Shareholder | CNIC No. | Folio No. | Cell/WhatsApp No. | Email Address |
|---------------------|----------|-----------|-------------------|---------------|
|---------------------|----------|-----------|-------------------|---------------|

** Where applicable, please also give the above particulars of proxy-holder or nominee of shareholder*

The video link and login credential will be shared with only those members whose emails, containing all the required particulars are received well within time. This notice of video link shall also cover providing vide link facility to the members holding 10% or more shareholding (in aggregate) in the Company, residing at a geographical location.

- 1) The Members Register and Share Transfer Books will be closed from 20 October 2022 to 27 October 2022 (both days inclusive) for the purpose of the Annual General Meeting. Transfers received at THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2 D.H.A. Phase VII, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on 19 October 2022 will be treated in time for the purpose of Annual General Meeting.
- 2) Financial Statements for the year ended 30 June 2022 will be available of the website of the Company www.doststeels.com twenty-one days before the date of meeting. Further, as per approval obtained from members in Annual General Meeting of the Company held on 30 October 2017 to circulate Annual Audited Accounts through CD/DVD/USB in accordance with SRO/470(I) 2016 dated 31 May 2016 of Securities and Exchange Commission of Pakistan ("SECP") Annual Audited Accounts of the Company for the year ended 30 June 2022 are being dispatched to the Member through CD/DVD. The Members may request a hard copy of Annual Audited Accounts free of cost. Standard request form is available of the above website of the Company.
- 3) Pursuant to Notification vide SRO 787(I)/2014 dated September 8th, 2014, the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements and notice of annual/extraordinary general meeting through electronic mail system (Email). The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future. In this regard, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website. Further, if a shareholder, in addition to above, also requests for the hard copy of Annual Financial Statements, then the same shall be provided free of cost within seven (7) days of receipt of such request. Further, it is the responsibility of member(s) to timely update the share registrar of any changes in his/her/its/their registered email address at the address of Company's Registrar.

Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.doststeels.com

- 4) A Member entitled to attend and vote at the Annual General Meeting may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a Member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Annual General Meeting.
- 5) CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

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

authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

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

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

B. FOR APPOINTING PROXIES:

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy from shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy from to the Company.
7. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
8. Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 07 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to Head Office address of the Company at least 07 (seven) days before the date of general meeting.

I/we _____ of _____ being members of Dost Steels Limited holder _____ Ordinary Shares(s) as per Registered Folio No. CDC/Account No. _____ hereby opt for video conference facility at Lahore in respect of 19th Annual General Meeting of the Company.

1. The Company can transmit annual financial statements through email for which shareholders may provide their relevant information to Share Registrar or the Company Secretary by filling the Standard Request Form available on the Company's website. The shareholders can submit their request for minutes of the previous general meetings at the Registered Office of the Company.
2. The Annual Audited Financial Statements along with relevant Reports/Reviews shall also be available at Company's website at www.doststeels.com. These accounts shall also be available for inspection during the office hours at the registered office of Company.

3. In compliance with the requirements of Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace his/her physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, 30 May 2017. Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

For any query / clarification / information, the shareholders may contact the Company at email company.secretary@dosteels.com and/or the Share Registrar of the Company.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 166 (3)
OF THE COMPANIES ACT, 2017.**

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017 ("the Act") and they shall meet the criteria laid down under Section 166(2) of the Act.

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

The term of office of the present Directors of the Company will expire on 28 October 2022. In terms of Section 159(1) of the Companies Act, 2017 ("Act"), the directors have fixed the number of elected directors at 7 to be elected in the Annual General Meeting for a period of three years. The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

1. Any person who seeks to contest election to the office of director shall, whether he is a retiring director or otherwise, file with the Company at its Registered Office not later than fourteen days before the date of the meeting, the following documents:
 - a) Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Act, together with the consent to act as a director in Form 28 prescribed under the Companies Act, 2017;
 - b) A detailed profile along with office address as required under SECP's SRO 634 (I)/2014 dated 10 July 2014;
 - c) A director must be a member of the Company at the time of filing of his/her consent for contesting election of directors except a person representing a member, which is not a natural person.
 - d) A signed declaration confirming that he/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange;
 - e) A signed declaration confirming that he/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2017, and any other applicable law, rules and regulations. Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

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

INFESTORS' RELATIONS DEPARTMENT 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: company.secretary@doststeels.com

SHARE REGISTRAR OF THE COMPANY

THK Associates (Pvt.) Limited,

No. 32-C, Jami Commercial Street 2 D.H.A. Phase VII, Karachi

UAN No. (021) 111-000-322

Email secretariat@thk.com.pk

INSPECTION OF DOCUMENTS

Copies of Memorandum and Articles of Association, Statement under Section 166(3) of the Companies Act 2017, financial statements of the Company and other related documents etc., may be inspected during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

دوست سٹیلز لمیٹڈ

نوٹس برائے سالانہ عام اجلاس

مطلع کیا جاتا ہے کہ دوست سٹیلز لمیٹڈ (DSL یا کمپنی) کے شیئر ہولڈرز کی سالانہ جنرل میٹنگ (AGM) درج ذیل کاروباروں کا انعقاد کرنے کی بابت بروز جمعرات مورخہ 27 اکتوبر 2022 کو صبح 9:30 بجے بمقام رجسٹرڈ آفس، 4th فلور، ابراہیم ٹریڈ سینٹر، 1 ایبک بلاک، برکت مارکیٹ، نیو گارڈن ٹاؤن، لاہور میں فزیکلی و آن لائن منعقد کی جائے گی۔

1. عام کاروبار

2. یہ کہ مورخہ 30 جون 2022 کو مکمل ہونے والے سال ہذا کی بابت کمپنی کے آٹھ شدہ مالیاتی گوشواروں کو بمعہ ڈائریکٹرز کی رپورٹ مع چیئرمین صاحب کے جائزہ کے ساتھ گوشواروں کی منظوری اور ان پر غور اور عملدرآمد کرنا شامل ہے۔

1. 30 جون 2023 کو ختم ہونے والے سال کے بعد آئندہ سال کے لئے کمپنی کے لئے آڈیٹرز کا تقرر کرنا اور ان آڈیٹرز کے معاوضہ وغیرہ کا تعین کرنا۔ بورڈ اور آڈٹ کمیٹی نے کمپنی "رحمان سرفراز رحیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس" ریٹائرڈ شدہ آڈیٹرز، کے نام کمپنی کے آڈیٹر کے طور پر تقرری کے لیے تجویز کیا ہے۔

3. کمپنی کے سات (07) ڈائریکٹرز کا انتخاب کرنا جیسا کہ کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنیز ایکٹ 2017 کے سیکشن 159(1) کی دفعات کے مطابق تین سال کی مدت کے لیے مقرر کیا ہے۔

ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:

2. زاہد افتخار صاحب

1. جمال افتخار صاحب

4. مونا زاہد صاحبہ

3. شہاب محبوب وورہ صاحب

6. مصطفی جمال صاحب

5. سعد زاہد صاحب

7. بلال جمال افتخار صاحب

عاصم جیلانی نامزد کردہ فیصل بینک لمیٹڈ اور محمد شکیل نامزد کردہ نیشنل بینک آف پاکستان کمپنیز ایکٹ 2017 کے سیکشن 164 کے تحت نامزد اداروں کی رضا مندی تک کمپنی کے ڈائریکٹرز تعینات رہیں گے۔

دیگر کاروبار:

4. چیئرمین کی اجازت سے کوئی دوسرا کاروبار کرنا۔

نوٹ: کمپنیز ایکٹ، 2017 کے سیکشن 166(3) میں مذکورہ کاروبار سے متعلق مادی حقائق کا بیانیہ ساتھ لف ہے۔

بورڈ کے حکم سے

شاہد علی

(کمپنی سیکرٹری)

لاہور:

6 اکتوبر 2022

نوٹس:

1. ویڈیو لنک کے ذریعے جنرل میٹنگ میں شرکت کرنے والے کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات (جیسا کہ ذیل میں دیا گیا ہے) اپنے شناختی کارڈ نمبر اور شناختی کارڈ کی دونوں اطراف کی سکین تصویر / اور پاسپورٹ کی سکین کاپی، بورڈ کی قرارداد کی تصدیق شدہ کاپی، مختار نامہ (اگر کوئی کارپوریٹ شیئر ہولڈرز ہوں تو اس صورت میں لف کریں) بذریعہ ای میل company.secretary@dosteels.com (یا بذریعہ پوسٹ / کوریئر) جس کا موضوع "ڈی ایس ایل کا سالانہ عام اجلاس مورخہ 27 اکتوبر 2022" ہو جو کہ عام اجلاس سے 48 گھنٹے قبل موصول ہونا لازم ہے۔ اصل دستخط شدہ دستاویزات کو ریکارڈ کے مقاصد کے لیے الگ سے کورنیر یا ڈاک کے ذریعے کمپنی کو بھیجنا ضروری ہے۔

شیئر ہولڈر کا نام
ای میل ایڈریس
شناختی کارڈ نمبر:
فولیو نمبر
سیل / واٹس ایپ

* قابل اطلاق ہونے کی صورت میں نامزد کردہ پروکسی ہولڈر / شیئر ہولڈر کے بھی درج بالا کوائف فراہم کریں۔

ویڈیو لنک اور لاگ ان کی معلومات کی رسائی صرف ان ممبران تک ہوگی جن کی ای میلز میں تمام مطلوبہ لف شدہ دستاویزات و تفصیلات مقررہ وقت تک موصول ہوئیں۔ اس نوٹس کے ذریعے ویڈیو لنک ان ممبران کو فراہم کیا جانا بھی شامل ہے جن کی بین الاقوامی سطح پر کمپنی ہذا میں 10 فیصد یا اس سے زیادہ کی شیئر ہولڈنگ ہے۔

1 ممبران کے رجسٹر اور شیئر ٹرانسفر بکس سالانہ جنرل میٹنگ کے انتظامات کی وجہ سے 20 اکتوبر 2022 سے لے کر 27 اکتوبر 2022 تک بند رہیں گے۔

جو ٹرانسفرز THK ایسوسی ایٹس پرائیویٹ لمیٹڈ، واقعہ پلاٹ نمبر 32-C جامی کمرشل گلی نمبر 2، DHA فیز سات کراچی کو موصول ہوئے ہیں ان کو کمپنی کے رجسٹرار صاحب اور شیئرز ٹرانسفر آفس بتاریخ مورخہ 19 اکتوبر 2022 کو کاروبار بند ہوتے وقت سالانہ عام اجلاس کے انعقاد کی بابت مقررہ وقت سے پہلے ہی مکمل کریں گے۔

2. مورخہ 30 جون 2022 کو مکمل ہونے والے سال کے مالیاتی گوشوارے میٹنگ کی تاریخ سے 21 روز قبل کمپنی کی ویب سائٹ پر اپلوڈ کر دیے جائیں گے۔ مزید برآں، مورخہ 30 اکتوبر 2017 کو منعقدہ کمپنی کی سالانہ جنرل میٹنگ میں ممبران کی منظوری کے بعد سالانہ آڈٹ شدہ اکاؤنٹس کو سی ڈی/ڈی وی ڈی/ایو ایس بی کے ذریعے سیکیورٹیز اینڈ ایکسچینج کمیشن کے SRO/470(I) 2016 جاری کردہ مورخہ 31 مئی 2016 کے مطابق 30 جون 2022 کو مکمل ہونے والے سال کے لیے ("SECP") ممبر کو CD/DVD کے ذریعے ارسال کیے گئے ہیں۔ ممبران بغیر کسی لاگت کے کمپنی کے آڈٹ شدہ اکاؤنٹس کی Hard Copy کے حصول کے لئے درخواست کر سکتے ہیں۔ سٹینڈرڈ ریکویسٹ فارم کمپنی کی درج بالا ویب سائٹ پر موجود ہے۔

SRO 787(I)/2014-3 مورخہ 8 ستمبر 2014 کے نوٹیفکیشن کے مطابق، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے تمام کمپنیوں کو ہدایت کی ہے کہ وہ اپنے ممبران کو سالانہ مالیاتی گوشوارے اور سالانہ/غیر معمولی جنرل میٹنگ کا نوٹس ای میل کے ذریعے ارسال کریں۔ کمپنی ای میل کے ذریعے درج بالا دستاویزات کو ارسال کرنے کی سہولت اپنے تمام قابل قدر ممبران کو پیش کر تی ہے جو مستقبل میں ای میل کے ذریعے سالانہ مالیاتی گوشوارے اور نوٹس وصول کرنا چاہتے ہیں۔ اس سلسلے میں، جو ممبران اس سہولت سے فائدہ اٹھانا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب سٹینڈرڈ ریکویسٹ فارم کو پُر کر کے ای میل بھیجیں تا کہ درج بالا مالیاتی گوشوارے اور نوٹس موصول کر سکیں۔ مزید، اگر کوئی شیئر ہولڈر متذکرہ بالا کے علاوہ سالانہ مالیاتی گوشواروں کی بارڈ کاپی کے لیے بھی درخواست کرتا ہے، تو ایسی درخواست کی وصولی کے سات (7) دنوں کے اندر اسے مالیاتی گوشواروں اور نوٹس کی ایک عدد بارڈ کاپی فراہم کی جائے گی۔ براہ کرم یقینی بنائیں کہ آپ کے ای میل اکاؤنٹ میں اس طرح کی فائل (جس کا سائز 1 MB ہو) کو موصول کرنے کے لیے سپیس اور ای میل پالیسی کے حقوق دستیاب ہیں۔ مزید یہ کہ ممبران کی ذمہ داری ہے کہ وہ کمپنی کے شیئر رجسٹرار کی طرف سے کسی بھی تبدیلی کو اپنے رجسٹرڈ ای میل سے کمپنی کے ای میل پر بھیجیں۔

کمپنی کے ممبران کو اس سہولت کے حصول کے لئے اپنی معلومات فراہم کرنا ضروری ہے جس کا ایپلیکیشن فارم کمپنی کی ویب سائٹ www.doststeels.com سے ڈاؤن لوڈ کیا جا سکتا ہے۔

4. سالانہ جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کے حقدار رکن کسی دوسرے ممبر کو اپنا پراکسی ہولڈر مقرر کر سکتا ہے کہ وہ میٹنگ ہذا میں شرکت کرے اور ووٹ دے، بشرطیکہ کارپوریشن اپنے پراکسی کے طور پر کسی ایسے شخص کو مقرر کرے جو کمپنی ہذا کا ممبر نہیں ہے لیکن اتھارٹی دہندہ / اختیار دہندہ کی جانب سے مقرر کردہ ہو۔ کارپوریشن سالانہ جنرل میٹنگ کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں پراکسیز موصول ہونی چاہئیں۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے بیان کردہ درج ذیل ہدایات پر مزید عمل درآمد کرنا لازم ہوگا۔

2. میٹنگ میں شرکت کے لئے ہدایات

اکیلے افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان رجسٹریز کی رجسٹریشن کی تفصیلات کمپنی کے قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہیں، وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر اپنی شناخت کی تصدیق کروائیں گے۔ میٹنگ میں شرکت کے لئے اصل شناختی کارڈ یا اصل پاسپورٹ ہمراہ لانا ضروری ہے۔ کارپوریٹ ادارہ جات، بوقت میٹنگ، بورڈ آف ڈائریکٹرز کی جانب سے نامزد شخص کا دستخط شدہ مختار نامہ (پاور آف اٹارنی) فراہم کریں گے۔ (مختار نامہ) کے ہمراہ پیش (اگر پہلے کوئی مختار نامہ فراہم نہیں کیا گیا)۔

اکیلے افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان رجسٹریز کی رجسٹریشن کی تفصیلات کمپنی کے قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہیں، وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر اپنی شناخت کی تصدیق کروائیں گے۔

پراکسیز (اختیار گربندہ / اختیار حاصل کرنے والے افراد) کی تقرری (Hiring) کے لئے ہدایات :

افراد کے معاملے میں، اکاؤنٹ ہولڈرز اور/یا ذیلی اکاؤنٹ ہولڈر اور ان کی رجسٹریشن کی تفصیلات CDC کی پالیسی کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا تقاضوں کے مطابق پراکسی فارم جمع کرانیں گے۔ اور فارم پر کوئی بھی دو منتخب کردہ افراد بطور گواہ اپنا نام، پتہ اور شناختی کارڈ نمبر درج کریں گے۔

یہ کہ اصل رکن (اختیار دہندہ) اور پراکسی حاصل کرنے والے نامزد کردہ شخص (اختیار گربندہ) کے اصل شناختی کارڈ اور اصل پاسپورٹ کی کاپیاں پراکسی فارم کے ہمراہ لف کر کے فراہم کی جائیں گی۔ پراکسی میٹنگ کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ کے ذریعے اپنی شناخت کی تصدیق کروانا ضروری ہوگا۔

کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی ریزولوشن/دستخط شدہ پاور آف اٹارنی (مختار نامہ) کو پراکسی فارم کے ساتھ لف کر کے جمع کرایا جائے گا (اگر پہلے فراہم نہ کیا گیا ہو)

شینئر ہولڈرز سے التماس ہے کہ اگر ان کے رجسٹرڈ ڈاک کے پتوں (Registered Postal Address) میں کوئی تبدیلی ہو تو کمپنی کے شینئر رجسٹرار کو مطلع کریں۔

SECP (ایس ای سی پی) کی جانب سے مورخہ 21 مئی 2014 کو جاری کردہ سرکولر نمبر 10 کے مطابق، "اگر کمپنی کی منعقدہ میٹنگ کے شہر کے علاوہ بیرون ممالک رہائش پذیر 10 فیصد یا اس سے زیادہ کے شینئر ہولڈرز اپنی رضا مندی اور بقائمی ہوش و حواس ویڈیو کانفرنس کے ذریعے میٹنگ میں شرکت کرنے کے لئے سالانہ جنرل میٹنگ کے انعقاد کی تاریخ سے سات دن پہلے رضا مندی ظاہر کریں تو کمپنی ویڈیو کانفرنس کی ایسی سہولت ان شینئر ہولڈرز کو فراہم کرے گی جو ویڈیو کانفرنس کی سہولت درج بالا بیرون ملک مقیم شینئر ہولڈرز کے اپنے ملک / شہر میں بھی میسر ہو۔" اس مقصد کے لئے سالانہ جنرل میٹنگ کے انعقاد کی تاریخ سے سات یوم قبل درج ذیل معلومات کو پُر کر کے کمپنی کے ہیڈ آفس کے درج شدہ پتہ پر ارسال کریں۔

میں مسمی /ہم مسمیان دوست اسٹیلز لمیٹڈ ہولڈر کے _____ کے ممبر ہونے کے ناطے عام شیئر (ز) رجسٹرڈ فولیو نمبر CDC/اکاؤنٹ نمبر _____ کے مطابق کمپنی کے انیسویں سالانہ جنرل میٹنگ کے سلسلے میں لاہور میں ویڈیو کانفرنس کی سہولت کا انتخاب کرتا ہوں / کرتے ہیں شیئر ہولڈرز گذشتہ میٹنگز کی مختصر کاروائیاں حاصل کرنے کیلئے کمپنی کے رجسٹرڈ آفس میں اپنی درخواست پیش کر سکتے ہیں ۔

1. کمپنی سالانہ مالیاتی گوشوارے ای میل کے ذریعے منتقل کر سکتی ہے جس کے لیے شیئر ہولڈرز کمپنی کی ویب سائٹ پر دستیاب سٹینڈرڈ ریکویسٹ فارم کو پُر کر کے شیئر رجسٹرار یا کمپنی سیکرٹری کو اپنی متعلقہ معلومات فراہم کر سکتے ہیں۔ شیئر ہولڈرز کمپنی کے رجسٹرڈ آفس میں پچھلی جنرل میٹنگز کے منٹس کے لیے اپنی درخواست جمع کرا سکتے ہیں۔

2. سالانہ آڈٹ شدہ مالیاتی گوشوارے متعلقہ رپورٹس اور ریویوز کے ہمراہ کمپنی کی ویب سائٹ www.doststeels.com پر دستیاب ہوں گے یہ گوشوارے کمپنی کے رجسٹرڈ آفس سے معائنہ کرنے / جائزہ لینے / پڑھنے کے لئے آفس ٹائمنگ کے اندر حاصل کئے جا سکتے ہیں۔

3. کمپنی ایکٹ 2017 کے سیکشن 72 کی ضروریات کو مد نظر رکھتے ہوئے ۔ کمپنی کی مقرر کردہ فہرست میں موجود ہر کمپنی پر لازم ہو گا کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ SECP کی مقرر کردہ تاریخ تک ایسے تبدیل کرے کہ کمپنی ایکٹ کے آغاز کی تاریخ سے چار سال بعد کی درج کردہ کسی بھی تاریخ تجاوز نہ کرے جو کہ 30 مئی 2017 ہے

کسی بھی سوال / وضاحت / معلومات کے لیے، شیئر ہولڈرز کمپنی سے ای میل company.secretary@doststeels.com اور/یا کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

کمپنی ایکٹ 2017 کے سیکشن نمبر 166(3) کے زیر تحت گوشواروں کے مادی

حقائق (Material Facts)

کمپنی ایکٹ 2017 کے سیکشن نمبر 159 کے مطابق آزاد امیدواران کے طور پر ڈائریکٹرز کا چُناؤ الیکشن کے ذریعے کیا جائے گا۔ اور چُناؤ صرف اس صورت میں کیا جائے گا کہ اگر الیکشن کے لئے نامزد کردہ ڈائریکٹر کمپنی کے ایکٹ 2017 کے سیکشن 166(2) کے معیار کے مطابق پورا اترتے ہوں

موجودہ ڈائریکٹرز اس حد تک دلچسپی رکھتے ہیں کہ وہ کمپنی کے ڈائریکٹرز کے طور پر دوبارہ انتخاب کے اہل ہیں۔

کمپنی کے موجودہ ڈائریکٹرز کی مدت ملازمت مورخہ 28 اکتوبر 2022 کو ختم ہو جائے گی۔ کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 159(1) کے مطابق ڈائریکٹرز نے منتخب ڈائریکٹرز کی تعداد 7 مقرر کی ہے جنہیں تین سال کی مدت کے لیے سالانہ جنرل میٹنگ کے لیے منتخب کیا جائے گا۔ موجودہ ڈائریکٹرز اس حد تک دلچسپی رکھتے ہیں کہ وہ کمپنی کے ڈائریکٹرز کے طور پر دوبارہ انتخاب کے اہل ہیں۔

کوئی بھی شخص جو ڈائریکٹر کے عہدے کے لیے الیکشن لڑنا چاہتا ہے، چاہے وہ ریٹائر ہونے والا ڈائریکٹر ہو یا نیا آنے والا امیدوار برائے ڈائریکٹر پوسٹ، میٹنگ کی تاریخ سے چودہ دن پہلے کمپنی کے پاس اس کے رجسٹرڈ آفس میں درج ذیل دستاویزات فائل کرے:

کمپنیز ایکٹ، 2017 کے تحت مقرر کردہ فارم 28 میں بطور ڈائریکٹر الیکشن لڑنے کے لیے، ایکٹ ہذا کے سیکشن 159(3) کے مطابق ڈائریکٹرز کے انتخاب کے لیے اپنے آپ کو چناؤ لڑنے کی بابت اہل کرنے کے لیے ایک عدد تحریری نوٹس فراہم کرنا ہوگا۔

SECP کے SRO 634 (I)/2014 مورخہ 10 جولائی 2014 کے تحت مطلوبہ دفتری پتے کے ساتھ ایک تفصیلی پروفائل؛ ڈائریکٹرز کے انتخاب کے لیے امیدوار ڈائریکٹر کا کسی بھی کمپنی میں بطور ڈائریکٹر (کارکن) ہونا لازمی ہے، سوائے اس کے کہ کسی رکن کی نمائندگی کرنے والا شخص یعنی پراکسی (اختیار گریہندہ) جو کہ خود اصل کارکن نہیں ہے۔

ایک دستخط شدہ اعلامیہ جو اس بات کی تصدیق کرتا ہو کہ دستخط کنندہ (امیدوار) متعلقہ قوانین، میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن آف دی کمپنی اور پاکستان اسٹاک ایکسچینج کے فہرست سازی کے قواعد و ضوابط کے تحت اپنے فرائض اور اختیارات سے آگاہ ہے۔

ایک دستخط شدہ اعلامیہ جو اس بات کی تصدیق کرتا ہے کہ وہ ایکٹ، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017، اور کسی دوسرے قابل اطلاق قانون، قواعد و ضوابط کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔ آزاد ڈائریکٹرز کا انتخاب ایکٹ کے سیکشن 159 کے مطابق ڈائریکٹرز کے انتخاب کے عمل کے ذریعے کیا جائے گا اور امیدوار برائے ڈائریکٹر کا ایکٹ کی دفعہ 166(2) کے تحت طے شدہ معیار پر پورا اترنا لازم ہوگا۔

کسی بھی سوال/مسئلہ/معلومات کے لیے، اراکین کمپنی سے رابطہ کر سکتے ہیں اور درج ذیل پتے پر رجسٹرار کو شیئر کر سکتے ہیں:-

| کمپنی کے شیئر رجسٹرار | کمپنی کے انفسٹرس کے تعلقات کا شعبہ |
|---|---|
| <p>THK Associates (Pvt.) Limited نمبر C-32، جامی کمرشل اسٹریٹ 2 D.H.A. فیز VII، کراچی UAN نمبر (021) 322-000-111 secretariat@thk.com.pk پر ای میل کریں۔</p> | <p>یا ایک عدد تحریری خط لکھ درج ذیل پتہ پر ارسال کروائیں کمپنی سیکرٹری دوست اسٹیلز لمیٹڈ کمرہ نمبر 401، چوتھی منزل، ابراہیم ٹریڈ سنٹر، 1-ایپک بلاک برکت مارکیٹ، نیو گارڈن ٹاؤن، لاہور ای میل: company.secretary@doststeels.com</p> |

دستاویزات کا معائنہ/ جائزہ

میمورنڈم اور ایسوسی ایشن کے آرٹیکلز کی کاپیاں، کمپنیز ایکٹ 2017 کے سیکشن 166(3) کے تحت بیان، کمپنی کے مالیاتی گوشوارے اور دیگر متعلقہ دستاویزات وغیرہ، کسی بھی کام کے لئے آفس کے Day Shift کے اوقات کار کے اندر کمپنی کے اس نوٹس کی تاریخ اشاعت سے لے کر سالانہ جنرل میٹنگ کے اختتام تک رجسٹرڈ آفس میں معائنہ کیا جا سکتا ہے۔۔

CHAIRMAN'S REVIEW

It is a matter of great privilege for me to present the Company's Annual Report and Audited Financial Statements for the year ended June 30, 2022 and share with you an update on the performance of the Company.

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

Financial indicators and significant events of the year have been made available to you over the financial year ended on June 30, 2022. During the year, the board reviewed, discussed and approved the financial statements and all the supporting documentation after thorough deliberation and critical analysis. The Board of Directors of the Company complies with all relevant rules and regulations. The Board has formulated policies and procedures to ensure professional corporate environment in order to promote timely disclosure, transparency, accountability, high ethical standards, compliance with applicable laws, regulations and corporate governance. The board has ensured that every board member has had an adequate opportunity to present their opinions on all strategic matters. Pursuant to the updated Code of Corporate Governance, the company is trying to ensure full compliance of the code of Corporate Governance. These steps will undoubtedly improve board development, remuneration processes, accountability and audit, and relations with shareholders. The Board has recently arranged its evaluation through an independent Firm and overall performance of the Board was measured as satisfactory on the basis of diversity and mix of the board, engagement in planning, diligence, monitoring of business activities and governance and control environment.

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

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

Lahore
____ October 2022



Mustafa Jamal Iftakhar
Chairman, Board of Directors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members Assalam-O-Alaikum

On behalf of my colleagues on the Board, I welcome you to the 19th 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 2022.

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

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

Financial performance of the Company for the year ended June 30th, 2022, was as under:

| Description | 30 June 2022 (PKR) | 30 June 2021 (PKR) |
|-------------------------------------|-----------------------|-----------------------|
| Sale | Nil | 7,053,960 |
| Cost of Sales | (38,478,275) | (61,375,236) |
| Gross (Loss) / Profit | (38,478,275) | (54,321,276) |
| Administrative and Selling expenses | (41,819,561) | (61,763,625) |
| Finance costs | (90,241,578) | (59,898,943) |
| Other operating income | 35,698,113 | 1,087,780 |
| Loss before taxation | (134,841,301) | (174,896,064) |
| Taxation | Nil | (105,809) |
| Loss after taxation | (134,841,301) | (175,001,873) |

Business Review

The loss per share for the year was Rupees (0.43) per share as compared to Rupees (0.55) per share during the corresponding period. Loss after tax for the year was Rupees 134.841 million as compared to Rupees 175.002 million in corresponding year. The losses are inevitable owing to non-production during the year under review. So far, the Company has not been able to restart production activities due to shortage of working capital. As described above, the management is in the process of obtaining approval from relevant authorities for the execution of transaction of potential investor in order to restart commercial operations. As of today, The Company is not in a position to declare dividend or any bonus shares to the shareholders of the Company.

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

Operational Performance

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

Risk Management

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

Material Changes in commitments

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

Future Prospects, Risks and Uncertainties:

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

The catastrophic floods have also ravaged the country whereby one-third of the country was submerged under water and there has been huge loss of crops, livestock and infrastructure. It is expected that primary care is the first priority to be given to those effected in the floods in the shape of tents, medicine, livestock etc. Following this once the emergency has ended then construction activity can restart in these areas to rebuild infrastructure and it is expected that steel demand should increase following this.

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

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

Internal Financial Controls

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

Financial Statements

The financial statements of the company have been duly audited and signed by the auditors of the Company, Messrs. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and their report is attached with the financial statements. The auditors 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 2022. The qualification and reservations and our para wise comments on the qualification and reservations are as follows:

| Sr. No. | Reservation / Qualification | Responses |
|---------|---|---|
| 01 | The Company, as stated in note 2, has incurred a net loss Rs. 134.841 m and its accumulated losses are Rs. 1,550.280 m. The current liabilities of the Company exceed its current assets by Rs. 883.577 m and liquid assets by Rs. 910.423 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. 93.151 m during the year. It has stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the Company. Management of the Company has also not shared any future plans to revive its business. The covenants of long term loans have been breached at the reporting date. These conditions indicate the existence of significant | As stated above in welcome paragraph no 2 and 3 and also mentioned in Note No 38 of the financial statements the company is in the process of issuing further share capital against an offer of potential investor to overcome the working capital shortages and to settle the bank liabilities and the management is hopeful that this will mitigate all these factors |

| | | |
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| | 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; | |
| 02 | Advance for issuance of shares – unsecured from Crescent Star Insurance Limited (CSIL) and its assignees amounting to Rs. 354.279 m as disclosed in note 16, out of it M/s Dynasty Trading (Private) Limited (DTPL) confirmed amount due to it of Rs. 247.995 m and balance amount remained unconfirmed. The amount of Rs. 354.279 m is due to CSIL and its assignees, however CSIL is now disputing assignment to Dynasty Trading (Private) Limited (DTPL) (Refer 16 and 23). Further we were also unable to confirm these balances by alternative means; | 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. |
| 03 | We did not receive response to 11 out of 18 of our letters requesting for confirmations from banks amounting to Rs. 0.060 m. Further bank statements of 8 out of 18 banks were also not provided by the management. Therefore, due to lack of sufficient appropriate evidence we were unable to determine whether any adjustment might have been necessary; | Because the company has stopped its production activity due to non-availability of sufficient working capital since 2019, therefore all these banks are stated dormant and have not been used by the company for more than three years. However balance confirmation and Bank statements of active bank accounts have been provided. |
| 04 | The syndicate long term finance (LTF) of Rs. 793.815 m, markup accrued (frozen) thereon of Rs. 614.940 m, accrued markup on overdue portion of LTF of Rs. 222.378 m and markup charged during the year of Rs. 90.222 m as disclosed in note 17, 18, 21 and 27 respectively, remained unconfirmed. Further the Company has breached the covenants of the long term financing and as per the requirement of the IAS 1 (Presentation of Financial Statements), has not classified its long term financing into | 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. As the company has stopped its core operation since 2019, therefore due to non-availability of sufficient funds, company is unable to pay the said liability however appropriate provision of mark-up, as per agreement, has been provided in the financial statements. |

| | | |
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| | current liabilities, which constitute the departure from International Financial Reporting Standard. Moreover, the Company have discontinued payments of installments however no information regarding consequent default penalty or additional markup not incorporated in the financial statements, is available. Therefore, accuracy of the figures could not be ascertained; | |
| 05 | Balance confirmation requests remained unresponded in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 4.975m, Rs. 0.419 m, Rs. 40.521 m, Rs. 43.671 m and Rs. 1.026 m respectively. We were unable to satisfy ourselves by alternative means; | Due to the unorganized nature of the trade creditors, most of these could not be reached and organized. |
| 06 | The Company has not conducted impairment testing of its property, plant and equipment (note 5) as on 30 June 2022 under the IAS 36, Impairment of Assets which constitute departure from International Financial Reporting Standards. We consider it necessary at the yearend as the production of the Company has been stopped since 2019. Any impact of the same on assets and the statement of profit or loss of the Company cannot determined; | The company has conducted, In-house impairment testing with regular intervals, for this purpose the company has retained sufficient qualified employees on its payroll. Furthermore, the type of plant is not subjected to rapid technological changes therefore the company believes that the plant and machinery is not subjected to impairment. |
| 07 | We did not received confirmation from 6 out of 9 legal advisors and consultants. Moreover, 1 out of 9 legal advisor was not circularized and 2 legal advisors' confirmations were directly provided to us by the management. In absence of confirmations from legal advisor and consultants and list of pending litigations, completeness of contingencies as disclosed in note 23 cannot be commented upon, | The company has only three legal advisers who have active legal cases in the year under review, out of which two confirmations have been provided. |
| 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. | 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 |

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|----|---|---|
| | These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/ surcharge due to noncompliance of related provisions of the relevant laws has not been quantified and disclosed in these financial statements.; | Security Institution and Employees' Old Age Benefit Institution as per related laws, as soon as company is able to financially pay these liabilities they will be paid off. |
| 09 | The Company has written back Rs. 35.695 m liability on account of trade creditors-local Rs. 8.211 m, foreign supplier Rs. 15.912 m, advance from customer Rs 0.034 m and taxes payable Rs. 10.323 m and other accrued liabilities Rs. 1.215 m. Management could not provide validating reason for writing back of these balances. Consequently, adjustment made in the books of accounts and financial statements could not be substantiated; | Most of the balances are outstanding for more than three years, and they have not even responded to their balance confirmation since long therefore written off. However, the company has not denied its legal obligation to pay these liabilities. |
| 10 | The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 4.17 and 19 to the financial statements and the impact of the noncompliance of IAS 19 on the financial statements has not been quantified; | Due to the non-operational of Core Business Activities and layoff of employees on major position including Human resource department, the management has unable/not organize the determination for Employee Benefits under ordinance 1968. However appropriate provision against retirement benefits has been provided in the financial statements. Further management has planned to follow IAS -19 as per previous practice in the coming year, once the core business operation will resume. |

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 2022 and shall retire on the conclusion of the 19th 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 2022 and future outlook. The directors endorse the contents of the review.

Pattern of Shareholding

The pattern of shareholding as on 30 June 2022 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: 03 October 2022



Zahid Iftakhar
Director

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

محترم ممبران السلام علیکم

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

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

بورڈ نے 18 جنوری 2022 کو ہونے والے اجلاس میں زر سرمایہ مبلغ چار ارب چوالیس کروڑ انہتر لاکھ پچپن ہزار سات سو ستر روپے (Rs. 4,446,955,770/-) کو دس روپے (Rs. 10/-) والے چوالیس کروڑ چھیالیس لاکھ پچانوے ہزار سات سو ستر 444,695,577 عام حصص میں تقسیم کیا ہے۔ رائٹ شیئر ز کے علاوہ ہر دس روپے (Rs. 10/-) والے شیئر کی اصل قیمت کے اضافی بارہ کروڑ اناؤے لاکھ اکسٹھ ہزار سات سو ستر عام حصص کے اجراء کے لئے ہر ایک شیئر کو اصل حصص کی قیمت کے مقابلے میں Rs. 4.07 کے حساب سے جاری کیا جانا ہے۔

بورڈ نے 18 جنوری 2022 کو ہونے والی اپنی میٹنگ میں مزید سرمایہ بڑھانے کا فیصلہ کیا۔ 4,446,955,770 کو 10/- PKR کے 444,695,577 عام حصص میں تقسیم کیا گیا ہے ہر ایک 10/- PKR کی اصل قیمت کے اضافی 128,961,717 عام حصص کے اجراء کے لیے ہر ایک کو بصورت دیگر صحیح حصص کی قیمت کے مقابلے میں 4.07 PKR کے حساب سے کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 82 اور 83 کی دفعات کے تحت شیئر ہولڈرز اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی منظوری سے جاری کیا جانا ہے۔ شیئر ز کو جناب خواجہ شاہ زیب اکرم (بشمول اُن کے نامزد گان) کے نام جاری کرنا تجویز کیا گیا ہے۔

کمپنی کے مورخہ 30 جون 2022 کو ختم ہونے والے سال کی مالی کارکردگی درج ذیل ہے۔

| سیل | Nil | 7,053,960 |
|------------------------------|-------------|-------------|
| فروخت کی قیمت | 38,478,275 | 61,375,236 |
| مجموعی نقصان | 38,487,275 | 54,321,276 |
| انتظامی اور فروخت کے اخراجات | 41,819,561 | 61,763,625 |
| فنانس کے اخراجات | 90,241,578 | 59,898,943 |
| دیگر آمدن | 35,698,113 | 1,087,780 |
| نقصان قبل از ادائیگی ٹیکس | 134,841,301 | 174,896,064 |
| کل ٹیکس کی مالیت | Nil | 105,809 |
| نقصان بعد از ادائیگی ٹیکس | 134,841,301 | 175,001,873 |

کاروباری جائزہ

سال بھر کے لئے فی حصص کا خسارہ 0.43 روپے بمقابلہ گزشتہ سال کے دوران 0.55 روپے فی حصص تھا۔ رواں سال کے دوران کمپنی کا خسارہ مبلغ 134.841 ملین بمقابلہ گزشتہ سال

175.001 ملین رہا۔ یہ خسارہ کمپنی کے پلانٹ بند ہونے کی وجہ سے ہے۔ ابھی تک کمپنی ایسے پلانٹ کو دوبارہ چلانے سے قاصر ہے۔ کیونکہ کمپنی کے پاس مطلوبہ سرمایہ نہیں ہے۔ کمپنی متعلقہ اداروں سے منظوری کے عمل میں ہے۔ انویسٹر کے ٹرانزیکشن کو عملی جامہ پہنانے کے لئے۔

اسی وجہ سے کمپنی کوئی بھی ڈیویڈنڈ یا بونس اپنے شیئر ہولڈرز کو دینے کا اعلان نہ کر سکی ہے ہم پُر امید ہیں کہ کمپنی آئندہ مالیاتی سالوں میں اپنی پیداواری سرگرمیاں شروع کرے گی اور اپنی سالانہ کارکردگی کو بہتر کرے گی۔

عملی کارکردگی

بدقسمتی سے، دوران سال ضروری سرمایہ کی عدم دستیابی کی وجہ سے کمپنی اپنی سرگرمیوں کو دوبارہ شروع کرنے سے قاصر رہی۔ تاہم کمپنی اپنی ممکنہ سرمایہ کاری، جوائنٹ وینچرز، اسٹریٹجک الاننس / پارٹنر شپ کے لئے درپیش متحرک سرمایہ کاری کے بحران پر قابو پانے کے لئے ہر ممکنہ حد تک کوشاں ہے کمپنی پُر امید ہے کہ مسلسل کوشش مستقبل قریب میں کمپنی کو کامیاب کرے گی اور کمپنی اپنی سرگرمیوں کا دوبارہ آغاز کے قابل ہو گی۔

خسارے سے تحفظ کے انتظامات

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

وعدوں میں خاص تبدیلیاں

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

مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال

پچھلا سال مجموعی طور پر سٹیل کی تعمیراتی صنعت کے لیے اچھا رہا کیونکہ پرکشش حکومتی پالیسیوں کی وجہ سے بہت سے سرکاری منصوبے جاری تھے۔ موجودہ تشخیص اس بات کی نشاندہی کرتی ہے کہ عالمی اقتصادی کساد بازاری، توانائی کی بلند شرحوں، PKR کی قدر میں

کمی کی وجہ سے موجودہ سست روی کم از کم ایک سال تک چل سکتی ہے، تاہم موجودہ کریکشن کی شدت کے پیش نظر یہ سلسلہ کافی طویل ہو سکتا ہے۔ ہم توقع کرتے ہیں کہ اسٹیل کی گھریلو مانگ موجودہ نچلی سطح پر برقرار رہے گی جب تک کہ معیشت آئی ایم ایف کے بعد کی معاشی حقیقتوں کے مطابق مکمل طور پر ایڈجسٹ نہیں ہو جاتی کیونکہ روپے کی قدر میں کمی اور بلند شرح سود کی وجہ سے گھریلو صارفین کی قوت خرید میں دونوں طرح کا نقصان اقتصادی ترقی کو روکے رکھے گا۔ جلد ظاہر ہونے والا مستقبل۔

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

حالیہ برسوں میں پاکستان کی آئرن اور اسٹیل کی صنعت نے بنیادی طور پر بنیادی ڈھانچے کے منصوبوں جیسے سڑکوں، پلوں، پاور پلانٹس وغیرہ پر عوامی اخراجات میں اضافے کے ساتھ ساتھ نجی تعمیراتی سرگرمیوں میں اضافے کی وجہ سے بہت زیادہ ترقی کی ہے۔ اسٹیل کے لیے طویل مدتی نقطہ نظر مثبت رہتا ہے کیونکہ پاکستان جیسی ترقی پذیر معیشتیں، نوجوان اور بڑھتی ہوئی آبادی کے ساتھ، ترقی جاری رکھنے کے لیے عوامی بنیادی ڈھانچے میں بڑی سرمایہ کاری کی ضرورت ہے۔ ملک کی آبادیاتی پروفائل اس بات کی نشاندہی کرتی ہے کہ معیشت کو اس آبادی کی ضروریات کو پورا کرنے کے لیے ہاؤسنگ، توانائی، آٹوموبائل اور سفید سامان میں زیادہ سرمایہ کاری کی ضرورت ہوگی۔ لہذا، کمپنی کا خیال ہے کہ بڑھتی ہوئی توانائی، بنیادی ڈھانچے اور سفید سامان کی طلب آنے والے سالوں میں اسٹیل کی طلب کو آگے بڑھائے گی۔

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

داخلی مالیاتی کنٹرول

کمپنی کے اندر ہر سطح پر مضبوط اندرونی کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کے حصول، عملیاتی تاثیر اور کارکردگی، قابل اعتماد مالیاتی

رپورٹنگ اور قوانین، قواعد و ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لیے بہترین ڈیزائن کا حامل ہے

مالیاتی گوشوارے

کمپنی کے مالیاتی گوشواروں کا باقاعدہ آڈٹ کیا گیا ہے اور کمپنی کے آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے دستخط کیے ہیں اور ان کی رپورٹ مالیاتی گوشواروں کے ساتھ منسلک ہے۔ کمپنی میسرز رحمان سرفراز رحیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس کے آڈیٹرز نے 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے اپنی آڈٹ رپورٹ میں منفی رائے کا اظہار کیا ہے۔ اہلیت اور تحفظات پر ہمارے تبصرے برائے اہلیت اور تحفظات حسب ذیل ہیں:

| نمبر شمار | اہلیت / تحفظات | جوابات |
|-----------|--|---|
| 01 | جیسا کہ نوٹ نمبر 2 میں بتایا گیا ہے کہ کمپنی رواں سال 134.841 ملین روپے کا کل نقصان ہوا ہے۔ اور اس کے جمع شدہ نقصانات 1550.280 ملین روپے ہیں۔ کمپنی کے واجب الادا قرضہ جات کمپنی کے کل اثاثہ جات سے 883.577 ملین روپے تک تجاوز کر چکے ہیں اور لیکوئڈ اساسہ جات 910.423 ملین روپے سے تجاوز کر چکے ہیں۔ طویل عرصے سے واجب الادا وصولیوں، ناموافق کلیدی مالیاتی تناسب، بینکوں کے ساتھ قرض کے معاہدے کی شرائط کی تعمیل کرنے میں دشواری اور قرض دہندگان کو مقررہ تاریخ پر ادائیگی کرنے میں بھی مشکلات و تاخیر کا سامنا رہا ہے۔ بینکرز کے ساتھ کمپنی اپنے طے شدہ معاہدات کی ذمہ داری کے تحت ڈیفالٹر ہے کیونکہ کمپنی 4 اقساط میں سے کوئی بھی قسط ادا نہ کر سکی ہے جن | جیسا کہ رپورٹ کہ آغاز میں پیرا گراف نمبر 2 اور 3 اور مالی گوشواروں کے نوٹ 38 میں بتایا گیا ہے کہ کمپنی ایک ممکنہ انویسٹر کی انوسٹمنٹ کیلئے متعلقہ اداروں سے منظوری کے عمل میں ہے۔ جس سے بینکوں قابل واپسی رقم کو ادا کرنے اور پلانٹ دوبارہ بحال کرنے میں مدد ملے گی۔ اور جن خطرات سے آگاہ کیا گیا ہے دور ہو جائیں گے۔ |

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| | <p>کی کل مالیت 93.151 ملین روپے ہے۔ اور دوران سال کمپنی کو مزید مالی معاونت نہیں دی گئی۔ کمپنی نے 2019 سے اپنی تجارتی پیداوار بند کر دی ہے اور متحرک سرمایہ کاری کی کمی کی وجہ سے اپنے اہم انتظامی عملے کو بغیر کسی متبادل کے کھو دیا ہے۔ کمپنی کے خلاف بینکنگ قانونی چارہ جوئی بھی ہے۔ کمپنی کی انتظامیہ نے بھی اپنے کاروبار کو بحال کرنے کے لیے مستقبل کے کسی منصوبے کا اشتراک نہیں کیا ہے۔ رپورٹنگ کی تاریخ میں طویل مدتی قرضوں کے معاہدوں کی خلاف ورزی کی گئی ہے۔ یہ شرائط اہم مادی غیر یقینی صورتحال کی موجودگی کی نشاندہی کرتی ہیں جو کمپنی کی تشویش کے طور پر جاری رکھنے، اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے کی صلاحیت پر اہم شکوک پیدا کر سکتی ہیں۔ تاہم ان مالیاتی گوشواروں میں ریکارڈ شدہ اثاثوں کی بازیابی اور درجہ بندی اور ذمہ داریوں کی درجہ بندی سے متعلق کوئی ایڈجسٹمنٹ شامل نہیں ہے جو ضروری ہو سکتی ہے اگر کمپنی جاری تشویش کے طور پر جاری نہیں رکھ سکتی۔ ان حالات میں بیان کردہ گوننگ کنسرن کا استعمال مناسب نہیں ہے۔</p> | |
| <p>Dynasty Trading Private نے CSIL Limited اور دین کارپوریشن (پرائیویٹ) لمیٹڈ کے نام شیئر ز تفویض کیے ہیں اور اس مقصد کے لئے تمام قانونی ذمہ داریوں اور معاملات کی تعمیل کی گئی تھی اور ایڈوانس برائے شیئر</p> | <p>حصص کے اجراء کے لیے ایڈوانس - کریسنٹ سٹار انشورنس لمیٹڈ (CSIL) اور اس کے تفویض کنندگان کی جانب سے دیا گیا ایڈوانس مبلغ 354.279 ملین ہے جس میں سے M/s Dynasty</p> | 02 |

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| <p>کی رقم CSIL، کمپنی، Dynasty Trading (Private) Limited اور Din Corporation (Private) Limited کی باہمی رضامندی سے ادا کی گئی تھی۔ اس تفویض کو کمپنی کے بورڈ نے باقاعدہ طور پر منظور کیا تھا۔ اس میں شامل تمام فریقین نے اسائنمنٹ سے متعلق ضروری قانونی دستاویزات پر دستخط کیے ہیں۔</p> | <p>Trading (Private) Limited (DTPL) نے تصدیق شدہ رقم جو کہ واجب الادا ہے مبلغ 247.995 ملین بتائی ہے جیسا کہ نوٹ نمبر 16 میں واضح کیا گیا ہے، اور باقی رقم جو غیر تصدیق شدہ ہے واجب الادا ہے۔ مبلغ 354.279 ملین روپے کی رقم CSIL اور اس کے تفویض کنندگان کے بحق واجب الادا ہے، تاہم CSIL اب Dynasty Trading (Private) Limited (DTPL) (جیسا کہ 16 اور 23 کے حوالہ میں ہے) سے تنازع کر رہا ہے۔ مزید ہم متبادل ذرائع سے حاصل کردہ واجب الادا رقم کی تصدیق سے قاصر رہے ہیں۔</p> |
| <p>چونکہ کمپنی نے 2018 سے ضروری متحرک سرمایہ کاری کی عدم دستیابی کی وجہ سے اپنی پیداواری سرگرمی روک دی ہے، اس لیے یہ تمام بینک غیر فعال ہیں اور کمپنی نے انہیں 3 سال سے زیادہ عرصے سے استعمال نہیں کیا ہے۔</p> | <p>03 ہمیں ہمارے لیٹرز کے عوض جوابات موصول نہ ہونے جن میں رقم مبلغ ساٹھ ہزار روپے کی تصدیق کی درخواست دائر کی گئی۔ مزید یہ کہ انتظامیہ نے 18 بینکوں میں سے 8 بینکوں کے گوشوارے بھی فراہم نہ کیے ہیں۔ تاہم مناسب اور مطلوبہ ثبوتوں کی عدم دستیابی کے باعث ہم کسی بھی قسم کی ایڈجسٹمنٹ کرنے سے قاصر رہے ہیں۔</p> |
| <p>ایجنٹ پورے دورانیہ میں قرض دہندگان اور قرض لینے والے کے درمیان مؤثر طریقے سے بات چیت کرنے میں ناکام رہا۔ اس کے نتیجے میں اسٹیک ہولڈرز کے درمیان مطلوبہ وقت کے اندر اتفاق رائے نہیں ہو سکا اور اس لیے بیلنس کی تصدیق مکمل نہیں ہو سکی جیسا کہ کمپنی کا پلانٹ 2019 سے بند ہے مناسب فنڈز ہونے کی وجہ سے اسی وجہ سے کمپنی اپنی متعلقہ ادائیگی کرنے سے قاصر ہے۔ تاہم کھاتوں میں مارک اپ معاہدے کے مطابق درج کیا جا رہا ہے۔</p> | <p>04 793.815 ملین روپے کا طویل المدت فنانس جس پر جمع شدہ مارک اپ مبلغ 614.940 ملین ہے اور زائد المیعاد کی مارک اپ (LTF) کی رقم مبلغ 222.378 ملین ہے اور دوران سال کا مارک اپ مبلغ 90.222 ملین ہے (جیسا کہ نوٹ نمبر 17، 18، 21، اور 27 میں بالترتیب بتایا گیا ہے) تاحال غیر مصدقہ رہا ہے۔ مزید یہ کہ کمپنی نے طویل مدتی فنانسنگ کے معاہدوں کی خلاف ورزی</p> |

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| | <p>کی ہے اور IAS 1 (مالی کھاتوں کی پیشکش) کی ضرورت کے مطابق اپنی طویل مدتی فنانشنگ کو موجودہ ذمہ داریوں میں درجہ بندی نہیں کیا ہے، جو کہ بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ سے علیحدگی ہے۔ مزید برآں، کمپنی نے قسطوں کی ادائیگی بند کر دی ہے تاہم اس کے نتیجے میں طے شدہ جرمانے یا اضافی مارک اپ کے بارے میں کوئی معلومات دستیاب نہیں ہیں جو مالی بیانات میں شامل نہیں ہیں۔ لہذا، اعداد و شمار کی درستگی کا تعین نہیں کیا جا سکا؛</p> | |
| <p>تجارتی قرض دہندگان کی غیر منظم نوعیت کی وجہ سے، ان میں سے زیادہ تر تک رسائی و انتظامات نہ ہو سکا تھا۔</p> | <p>05</p> <p>بیلنس کی تصدیق کی درخواست کا تاحال کوئی جواب نہ دیا گیا ہے یہ کہ "تجارتی قرضہ جات" معاہداتی واجبات "طویل المدت سیکیورٹی کی رقم کی ادائیگیاں" اور "سپلائرز و دیگر سرگرمیاں" جن کی بابت رقم مبلغ 4.975 ملین، مبلغ 0.419 ملین، مبلغ 40.521 ملین، مبلغ 43.671 ملین، اور مبلغ 1.026 بالترتیب ہے۔ ہم خود کو منجانب کمپنی کسی بھی متبادل ذرائع سے مطمئن کرنے سے قاصر رہے ہیں۔</p> | |
| <p>کمپنی نے باقاعدہ وقفوں کے ساتھ اندرون خانہ خرابی کو جانچنے کی مشق کی ہے، اس مقصد کے لیے کمپنی نے اپنے پے رول پر کافی اہل ملازمین کو برقرار رکھا ہے۔ مزید برآں پلانٹ کی قسم تیز رفتار تکنیکی تبدیلیوں کا شکار نہیں ہوتی اس لیے کمپنی کا خیال ہے کہ پلانٹ اور مشینری خرابی کا شکار نہیں ہے۔</p> | <p>06</p> <p>کمپنی نے IAS 36 کے تحت 30 جون 2022 تک اپنی جائیداد، پلانٹ اور آلات (نوٹ 5) کی خرابی کی جانچ نہیں کرائی ہے، اثاثوں کی خرابی جو کہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات سے کمپنی کو خارج کرتی ہے۔ ہم سمجھتے ہیں کہ سال کے آخر میں یہ ضروری ہے کیونکہ کمپنی کی پیداوار 2019 سے روک دی گئی تھی۔ کمپنی کے اثاثوں اور منافع یا نقصان کے بیان</p> | |

| | | |
|----|---|--|
| | پر اس کے اثرات کا تعین نہیں کیا گیا ہے۔ | |
| 07 | ہمیں زیر التواء قانونی مقدموں کے بارے میں کمپنی کے 9 میں سے 6 قانونی مشیروں اور وکلاء کی تصدیق موصول نہیں ہوئی تھی مزید کہ ایک قانونی مشیر کو کنفرمیشن یعنی تصدیق نہیں کروائی گئی۔ لہذا ہنگامی حالات کے مکمل ہونے پر جیسا کہ نوٹ 23 میں بتایا گیا ہے تبصرہ نہیں کیا جا سکتا۔ | کمپنی کے اس وقت صرف تین قانونی مشیر ہیں جن کے پاس موجودہ سال میں مقدمے جاری ہیں۔ ان تین میں سے دو مشیروں کی کنفرمیشن مہیا کر دی گئی ہے۔ |
| 08 | کمپنی نے پنجاب ایمپلائز سوشل سیکوریٹی انسٹی ٹیوشن اور ایمپلائز اولڈ ایج بینیفٹ انسٹی ٹیوشن کی واجب الادا رقم وڈبولڈنگ ٹیکس کی کٹوتی اور جمع کرنے کے حوالے سے تقاضوں کی مناسب تعمیل نہیں کی تھی۔ متعلقہ قوانین کی متعلقہ دفعات کی عدم تعمیل کی وجہ سے نہ تو طے شدہ جرمانے/سرچارج کے نتیجے میں ہونے والے اثرات کا اندازہ لگایا گیا ہے اور نہ ہی اس کا انکشاف ان مالیاتی گوشواروں میں کیا گیا ہے۔ IAS-1 "مالیاتی گوشواروں کی پیشکش" کی ضرورت کے مطابق ان واجبات کو مالیاتی گوشواروں میں الگ واضح طور پر ظاہر نہ کیا گیا۔ | بنیادی کاروباری سرگرمیوں کے غیر فعال ہونے کی وجہ سے زیادہ تر اخراجات ٹیکس کی حد سے کم ہیں یا ان سے مشروط نہیں ہیں۔ تاہم متعلقہ قانونی ضوابط کے مطابق مکمل پروویژن کو پنجاب ایمپلائز ، سوشل سیکوریٹی انسٹی ٹیوشن اور ایمپلائز ' اولڈ ایج بینیفٹ انسٹی ٹیوشن کے کھاتوں میں درج کیا گیا ہے لہذا جیسے ہی کمپنی مالی طور پر مستحکم ہو گی تمام واجبات ادا کر دیے جائیں گے۔ |
| 09 | کمپنی نے قابل ادائیگی رقوم منہا کی ہیں اس کی تفصیل درج ہذا ہے تجارتی قرض دہندگان کا حساب 35.695 ملین روپے (واجبات) واجب الادا ہے ۔ مقامی ٹریڈرز 8.211 ملین ، غیر ملکی سپلائر 15.912 ملین، گاہک سے 0.034 ملین روپے ایڈوانس اور قابل ادائیگی ٹیکس 10.323 ملین روپے اور | زیادہ تر بیلنسز تین سال سے زائد عرصے سے واجب الادا ہیں ۔ اور انہوں نے طویل عرصے سے اپنے بیلنسز کی تصدیق کا مناسب جواب بھی نہیں دیا ہے ۔ تاہم کمپنی نے ان واجبات کی ادائیگی کی اپنی قانونی ذمہ داری سے انکار نہیں کیا ہے ۔ |

| | | |
|---|---|--|
| | دیگر جمع شدہ واجبات 1.215 ملین روپے رہا۔ انتظامیہ ان رقوم کو منہا کرنے کی توثیق کرنے کی وجہ فراہم نہیں کر سکی۔ | |
| بنیادی کاروباری سرگرمیوں کے غیر فعال ہونے اور ہیومن ریسورس ڈیپارٹمنٹ سمیت بڑے عہدوں پر ملازمین کی برطرفی کی وجہ سے، انتظامیہ آرڈیننس 1968 کے تحت ملازمین کے فوائد کے تعین کو ترتیب دینے سے قاصر ہے۔ مزید برآں انتظامیہ نے گزشتہ مشق کے مطابق IAS-19 کی پیروی کرنے کا منصوبہ بنایا ہے، ایک بار جب بنیادی کاروبار آئندہ سال دوبارہ شروع ہو جائے گا۔ | 10 کمپنی نے انڈسٹریل اینڈ کمرشل ایمپلائمنٹ (اسٹینڈنگ آرڈرز) آرڈیننس 1968 کے تحت قابل ادائیگی گریجویٹ کا تعین کرنے کے لئے IAS-19 "ملازمین کے فوائد" کی شق کی پیروی نہیں کی ہے۔ جیسا کہ نوٹ 4.17 اور 19 میں مالی بیانات اور IAS 19 کی عدم تعمیل کے اثرات کی وضاحت کی گئی ہے۔ مالیاتی گوشواروں کی مقدار درست نہیں کی گئی ہے۔ | |

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے۔

بورڈ آف ڈائریکٹرز

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

آڈیٹرز

کمپنی کے قانونی آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے مالیاتی گوشواروں اور کارپوریٹ گورننس کے ضابطہ کی تعمیل کے بیان کا اپنا آڈٹ مکمل کر لیا ہے اور وہ 30 جون 2022 کو 19 ویں سالانہ اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔

آڈٹ فرم کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت ایک تسلی بخش درجہ بندی دی گئی ہے اور فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق سے متعلق رہنما اصولوں کی مکمل تعمیل کرتی ہے۔ آئی سی اے پی۔ آڈیٹرز نے آڈیٹر کے طور پر کام جاری رکھنے کی خواہش ظاہر کی ہے۔ فہرست سازی کے ضوابط کے تحت دوبارہ تقرری کے اہل ہونے کی وجہ سے، آڈٹ کمیٹی 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے ان کی دوبارہ تقرری کی سفارش کرتی ہے جس پر چیف ایگزیکٹو آفیسر کی طرف سے شرائط اور معاوضے پر بات چیت کی گئی۔

چینرمین کا تعین

چینرمین کا تعین 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے۔ ڈائریکٹرز تعین کے مندرجات کی توثیق کرتے ہیں۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2022 تک شیئر ہولڈنگ کا پیٹرن الگ سے منسلک ہے۔

تصدیق

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

منجانب بورڈ آف ڈائریکٹرز

زابد افتخار

ڈائریکٹر

جمال افتخار

چیف ایگزیکٹو آفیسر

لاہور مورخہ 03 اکتوبر 2022

DOST STEELS LIMITED **CODE OF CONDUCT**

PREAMBLE

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

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

POLICY STATEMENT

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

RESPONSIBILITIES TO THE SHAREHOLDERS OF THE COMPANY

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

THE DIRECTOR' RESPONSIBILITIES TO EMPLOYEES

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

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

RESPONSIBILITIES OF EMPLOYEES TO THE COMPANY

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

SUMMARY

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

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

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



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ

CHARTERED ACCOUNTANTS

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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 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, except for the non compliance of mandatory requirements as highlighted in paragraph 18 of statement of compliance with respect to number of independent directors, 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 2022.


Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants

Engagement Partner: Rashid Rahman Mir
Place: Lahore.

Date:

10 3 OCT 2022
UDIN: CR202210146P0cAYxFHp



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

Name of the Company **DOST STEELS LIMITED**
Year ended **30 JUNE 2022**

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

1. The total number of directors are Nine (9) as per the following:

- a. Male: 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 |
| Non-Executive Directors | Mr. Saad Zahid Mr. Bilal Jamal Iftakhar Mr. Mustafa Jamal Iftakhar (Chairman) 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 |
| Female Director (Non-Executive) | Mrs. Mona Zahid |

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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board /shareholders as empowered by the relevant provisions of the Act and these regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, 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 are complied with relevant requirements of the Regulations. No new appointment were made during the year. The Head of internal audit does not meet the 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. Shahab Mahboob Vora (Chairman)
Mr. Bilal Jamal Iftakhar (Member)
Mr. Mustafa Jamal Iftakhar (Member)

HR and Remuneration Committee
Mr. Shahab Mahboob Vora (Chairman)
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 |
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of

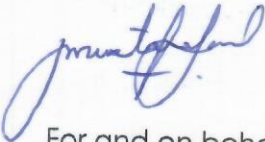
Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, company secretary or director of the Company.

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

| | |
|---|---|
| (Paragraph 2 of the statement of Compliance) Only one independent director on the board. Regulation -6. | The company is required to appoint 3 independent directors however in view of financial crises the person eligible to be independent directors are reluctant to join the board. |
|---|---|

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

| | |
|---|--|
| (Paragraph 9 of the Statement of Compliance) - Directors Training Program. Regulation - 19. | 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. |
| Paragraph 10 of the Statement of Compliance Qualification of Head of Internal Audit). Regulation -23. | In view of lack of financial resources appropriate hiring could not be made, however steps are being taken to hire qualified Head of Internal Audit. |



For and on behalf of the Board
Dost Steels Limited

Mustafa Jamal Iftakhar
Chairman
Lahore



Independent Auditors' Report

To the members of Dost Steels Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of **DOST STEELS LIMITED (the Company)**, which comprise the statement of financial position as at **30 June 2022**, 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 2022** 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. 134.841 m and its accumulated losses are Rs. 1,550.280 m. The current liabilities of the Company exceed its current assets by Rs. 883.577 m and liquid assets by Rs. 910.423 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. 93.151 m during the year. It has stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the Company. Management of the Company has also not shared any future plans to revive its business. The covenants of long term loans have been breached at the reporting date. These conditions indicate the existence of significant material uncertainties which may cast significant doubt on ability of the Company to continue as going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the Company be unable to continue as going concern. Under the 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 16, out of it M/s Dynasty Trading (Private) Limited (DTPL) confirmed amount due to it of Rs. 247.995 m and balance amount remained unconfirmed. The amount of Rs. 354.279 m is due to CSIL and its assignees, however CSIL is now disputing assignment to Dynasty Trading (Private) Limited (DTPL) (Refer 16 and 23). Further we were also unable to confirm these balances by alternative means;
3. We did not receive response to 11 out of 18 of our letters requesting for confirmations from banks amounting to Rs. 0.060 m. Further bank statements of 8 out of 18 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, markup accrued (freezed) thereon of Rs. 614.940 m, accrued markup on overdue portion of LTF of Rs. 222.378 m and markup charged during the year of Rs. 90.222 m as disclosed in note 17, 18, 21 and 27 respectively, remained unconfirmed. Further the Company has breached the covenants of the long term financing and as per the requirement of the IAS 1 (Presentation of Financial Statements), has not classified its long term financing into current liabilities, which constitute the departure from International Financial Reporting Standard. Moreover, the Company have discontinued payments of installments however no information regarding consequent default penalty or additional markup not incorporated in the financial statements, is available. Therefore, accuracy of the figures could not be ascertained;
5. Balance confirmation requests remained unresponded in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 4.975m, Rs. 0.419 m, Rs. 40.521 m, Rs. 43.671 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 2022 under the IAS 36, Impairment of Assets which constitute departure from International Financial Reporting Standards. We consider it necessary at the year end as the production of the Company has been stopped since 2019. Any impact of the same on assets and the statement of profit or loss of the Company cannot determined;
7. We did not received confirmation from 6 out of 9 legal advisors and consultants. Moreover, 1 out of 9 legal advisor was not circularized and 2 legal advisors' confirmations were directly provided to us by the management. In absence of confirmations from legal advisor and consultants and list of pending litigations, completeness of contingencies as disclosed in note 23 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. These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/ surcharge due to noncompliance of related provisions of the relevant laws has not been quantified and disclosed in these financial statements.;
9. The Company has written back Rs. 35.695 m liability on account of trade creditors-local Rs. 8.211 m, foreign supplier Rs. 15.912 m, advance from customer Rs 0.034 m and taxes payable Rs. 10.323 m and other accrued liabilities Rs. 1.215 m. Management could not provide validating reason for writing back of these balances. Consequently, adjustment made in the books of accounts and financial statements could not be substantiated;
10. The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in

note 4.17 and 19 to the financial statements and the impact of the noncompliance of IAS 19 on the financial statements has not been quantified;

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.

Emphasis of Matter

We draw attention to note 38 to the financial statements, describing that the Company is in process of issuing further share capital to the potential investor other than right shares, subject to applicable statutory and regulatory approvals. Our opinion is not modified in this matter.

Key Audit Matters

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

| Key Audit Matters (KAMs) | How the matter was addressed in our audit |
|---|--|
| <p>(i) Expected Credit Loss (ECL)</p> <p>The Company has a significant balance of trade debts amounting to Rs 45.22 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 and 4.11.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant judgment in determining the recoverable amount of trade debts.</p> | <p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> • 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:

- Except for the effects of matters explained in **Basis for Adverse Opinion** section of our report:
 - proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
 - the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017). However, the same are in agreement with the books of account and returns;
 - investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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: **03 OCT 2022**
 UDIN: AR2022101461In5LqkmN

DOST STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | Note | 2022 Rupees | 2021 Rupees |
|--|------|----------------------|----------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 5 | 2,537,149,985 | 2,554,663,806 |
| Intangible assets | 6 | 1,000 | 333,405 |
| Long term security deposits | 7 | 40,521,445 | 40,521,445 |
| Deferred tax assets | 8 | - | - |
| | | 2,577,672,430 | 2,595,518,656 |
| Current Assets | | | |
| Stores and spares | 9 | 26,845,775 | 26,845,775 |
| Stock in trade | 10 | - | 4,781,225 |
| Trade debtors | 11 | - | 8,933,358 |
| Advances | 12 | 1,241,739 | 1,242,237 |
| Taxes refundable/adjustable | 13 | 10,056,682 | 8,494,586 |
| Cash and bank balances | | 117,743 | 93,497 |
| | | 38,261,939 | 50,390,678 |
| TOTAL ASSETS | | 2,615,934,369 | 2,645,909,334 |
| EQUITY | | | |
| Share capital | 14 | 3,157,338,600 | 3,157,338,600 |
| Discount on issue of right shares | 15 | (1,365,481,480) | (1,365,481,480) |
| Revenue reserve | | | |
| Accumulated losses | | (1,550,279,593) | (1,415,438,292) |
| Total Equity | | 241,577,527 | 376,418,828 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Advance for issuance of shares - unsecured | 16 | 358,100,019 | 358,100,019 |
| Long term financing - secured | 17 | 454,997,428 | 571,436,132 |
| Markup accrued on secured loans | 18 | 614,940,264 | 614,940,264 |
| Deferred liabilities | 19 | 24,480,355 | 23,418,350 |
| | | 1,452,518,066 | 1,567,894,765 |
| Current Liabilities | | | |
| Trade and other payables - unsecured | 20 | 49,169,296 | 85,665,250 |
| Accrued markup | 21 | 259,916,909 | 169,694,601 |
| Short term borrowings - unsecured | 22 | 273,935,296 | 223,751,510 |
| Current and overdue portion of long term financing | 17 | 338,817,275 | 222,378,571 |
| Provision for taxation | | - | 105,809 |
| | | 921,838,776 | 701,595,741 |
| Contingencies and Commitments | 23 | | |
| Total Liabilities | | 2,374,356,842 | 2,269,490,506 |
| TOTAL EQUITY AND LIABILITIES | | 2,615,934,369 | 2,645,909,334 |

The annexed notes 01 to 42 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 2022

| | Note | 2022 Rupees | 2021 Rupees |
|---|------|----------------|----------------|
| Sales | 24 | - | 7,053,960 |
| Cost of sales | 25 | (38,478,275) | (61,375,236) |
| Gross loss | | (38,478,275) | (54,321,276) |
| Administrative and selling expenses | 26 | (41,819,561) | (61,763,625) |
| Finance cost | 27 | (90,241,578) | (59,898,943) |
| Other operating income | 28 | 35,698,113 | 1,087,780 |
| Loss before taxation | | (134,841,301) | (174,896,064) |
| Taxation | 29 | - | (105,809) |
| Loss after taxation | | (134,841,301) | (175,001,873) |
| <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 | | (134,841,301) | (175,001,873) |
| Loss per share - basic and diluted | 30 | (0.43) | (0.55) |

The annexed notes 01 to 42 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 2022

| | Share capital | Discount on issue of right shares | Revenue reserve | Total |
|--|-----------------------------|--------------------------------------|-------------------------------|---------------------------|
| | | | Accumulated losses | |
| ----- Rupees ----- | | | | |
| Balance as at 01 July 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 30 June 2021 | <u>3,157,338,600</u> | <u>(1,365,481,480)</u> | <u>(1,415,438,292)</u> | <u>376,418,828</u> |
| Total comprehensive loss for the year | - | - | (134,841,301) | (134,841,301) |
| Balance as at 30 June 2022 | <u><u>3,157,338,600</u></u> | <u><u>(1,365,481,480)</u></u> | <u><u>(1,550,279,593)</u></u> | <u><u>241,577,527</u></u> |

The annexed notes 01 to 42 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 2022

| | Note | 2022 Rupees | 2021 Rupees |
|---|------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before taxation | | (134,841,301) | (174,896,064) |
| Adjustments for non cash and other items: | | | |
| Depreciation | | 17,513,821 | 19,623,396 |
| Amortization | | 332,405 | 333,405 |
| Finance cost | | 90,241,578 | 59,898,943 |
| Provision for gratuity | | 1,062,005 | 4,276,505 |
| Bad debts | | 7,482,998 | 5,545,944 |
| Exchange gain | | - | (1,066,560) |
| Creditors written back | | (35,695,408) | - |
| Stock written off | | 4,781,225 | - |
| Interest income | | (2,705) | (17,353) |
| | | 85,715,919 | 88,594,280 |
| Operating cash flow before working capital changes | | (49,125,382) | (86,301,784) |
| Working capital changes: | | | |
| (Increase)/decrease in current assets: | | | |
| Stores and spares | | - | 7,993 |
| Stock in trade | | - | 26,927,183 |
| Trade debtors | | 1,450,360 | (7,311,815) |
| Advances | | 498 | 42,883 |
| Tax refund due from government | | (1,562,096) | (393,188) |
| Increase/(decrease) in current liabilities: | | | |
| Trade and other payables | | (800,546) | 2,025,229 |
| | | (911,784) | 21,298,285 |
| Cash flows used in operations | | (50,037,166) | (65,003,499) |
| Finance cost paid | | (19,270) | (45,295) |
| Taxes paid | | (105,809) | (169,050) |
| Net cash flows used in operating activities | | (50,162,245) | (65,217,844) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | | 2,705 | 17,353 |
| Net cash flows generated from investing activities | | 2,705 | 17,353 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing - secured | | - | (526,375) |
| Receipt of short term borrowings- unsecured | | 50,183,786 | 64,917,073 |
| Net cash flows generated from financing activities | | 50,183,786 | 64,390,698 |
| Net increase/ (decrease) in cash and cash equivalents during the year | | 24,246 | (809,793) |
| Cash and cash equivalents at the beginning of the year | | 93,497 | 903,290 |
| Cash and cash equivalents at the end of the year | 13 | 117,743 | 93,497 |

The annexed notes 01 to 42 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 2022

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. 134.841 million (2021: Rs. 175.002 million) and its accumulated losses are Rs. 1,550.28 million (2021: Rs. 1,415.438 million). The current liabilities of the Company exceeds its current assets by Rs. 883.577 million and liquid assets by Rs. 910.423 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 23).

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

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

- IFRS 9 - Financial Instruments (Amendment regarding interest rate benchmark reform-Phase-2).
- IAS 39 - Financial Instruments: Recognition and Measurement - (Amendment regarding interest rate benchmark reform-Phase-2).
- IFRS 7 - Financial Instruments: Disclosures - (Amendment regarding interest rate benchmark reform-Phase-2).
- IFRS 16 Leases- (Amendment regarding interest rate benchmark reform-Phase-2).
- IFRS-16 Leases- (Amendment to Covis-19 related rent concession beyond 30 June 2021).



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

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

- IFRS 3 - Business Combinations - (Amendments updating a reference to the Conceptual Framework)- (applicable for annual periods beginning on or after 1 January 2022).
- IFRS 9 - Financial Instruments - (Amendments to 10 percent test for derecognition of financial liabilities in fee)- (applicable for annual periods beginning on or after 1 January 2022).
- IFRS 10/ IAS 28 - Consolidated Financial Statements and Investment in Associates - (Amendment regarding the sale or contribution of assets between an investor and its associate or joint venture) - (Application date not yet finalized).
- IAS 16- Property, Plant and Equipment - (Amendments regarding proceeds before intended use) - (applicable for annual periods beginning on or after 1 January 2022).
- IAS 1- Presentation of Financial Statements - (Amendment regarding classification of liabilities as current and non-current)- (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 related to assets and liabilities arising from single transaction)- (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 January 2022).
- IAS 41 - Agriculture - (Amendment regarding taxation in fair value measurement) - (effective for annual periods beginning on or after 1 January 2023).

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 and 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 the statement of profit or loss by applying reducing balance method except that of plant and machinery which is on number of units method. Rates of depreciation are specified in the note 5.

Depreciation is charged on additions 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 the 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 the statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization is charged on additions from the month in which intangible asset has become available for use while no amortization is charged from 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 the statement of cash flows, cash equivalent are short-term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

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

4.12 Offsetting 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 the 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

| Operating Assets | | 5.1 | | 2,537,149,985 | | 2,554,663,806 | | | |
|-----------------------------------|-------------|---------------|---------------------------|---------------------|------------------------|---------------|-------------------|-------------|---------------------|
| | | | | 2,537,149,985 | | 2,554,663,806 | | | |
| Particulars | | OWNED | | | | | | Total | |
| | | Freehold land | Building on freehold land | Plant and machinery | Furniture and fittings | Vehicles | Office equipments | | Electric equipments |
| | | Rupees | | | | | | | |
| Year ended 30 June 2022 | | | | | | | | | |
| Cost | 157,876,220 | 232,546,602 | 2,230,750,729 | 3,809,299 | 837,500 | 1,928,302 | 10,264,774 | 5,071,544 | 2,643,084,970 |
| Accumulated depreciation | - | (85,041,961) | (4,481,784) | (3,178,523) | (717,215) | (1,068,238) | (6,938,454) | (4,508,810) | (105,934,985) |
| | 157,876,220 | 147,504,641 | 2,226,268,945 | 630,776 | 120,285 | 860,064 | 3,326,320 | 562,734 | 2,537,149,985 |
| Year ended 30 June 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 | 2,643,084,970 |
| Accumulated depreciation | - | (68,652,556) | (4,481,784) | (3,067,209) | (687,144) | (913,377) | (6,351,456) | (4,267,638) | (88,421,164) |
| | 157,876,220 | 163,894,046 | 2,226,268,945 | 742,090 | 150,356 | 1,014,925 | 3,913,318 | 803,906 | 2,554,663,806 |
| Year ended 30 June 2022 | | | | | | | | | |
| Opening net book value | 157,876,220 | 163,894,046 | 2,226,268,945 | 742,090 | 150,356 | 1,014,925 | 3,913,318 | 803,906 | 2,554,663,806 |
| Additions | - | - | - | - | - | - | - | - | - |
| Deletion | - | - | - | - | - | - | - | - | - |
| Depreciation charged | - | (16,389,405) | - | (111,314) | (30,071) | (154,861) | (586,998) | (241,172) | (17,513,821) |
| | 157,876,220 | 147,504,641 | 2,226,268,945 | 630,776 | 120,285 | 860,064 | 3,326,320 | 562,734 | 2,537,149,985 |
| Year ended 30 June 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 | 2,574,801,963 |
| Additions | - | - | - | - | - | - | - | - | - |
| Deletion | - | - | - | - | - | - | - | - | - |
| Depreciation charged | - | (18,210,450) | - | (130,957) | (514,761) | (182,190) | (690,587) | (344,530) | (514,761) |
| | 157,876,220 | 163,894,046 | 2,226,268,945 | 742,090 | 150,356 | 1,014,925 | 3,913,318 | 803,906 | 2,554,663,806 |
| Net book value as at 30 June 2021 | | | | | | | | | |
| | - | 10% | Units of production | 15% | 20% | 15% | 15% | 30% | |

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

| | Note | 2022 | | 2021 | |
|-------------------------------------|------|------------|------------|--------|--|
| | | Rupees | | Rupees | |
| Cost of sales | 25 | 17,108,819 | 19,101,570 | | |
| Administrative and selling expenses | 26 | 405,002 | 521,826 | | |
| | | 17,513,821 | 19,623,396 | | |

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

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



| | Note | 2022 Rupees | 2021 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 | | (777,945) | (444,540) |
| Amortization charge for the year | 26 | (332,405) | (333,405) |
| Balance as at June 30 | | (1,110,350) | (777,945) |
| Written down value as at June 30 | | 1,000 | 333,405 |
| The Company amortizes intangible asset on a straight line basis over the period of useful life @ 30%. | | | |
| Intangible asset has been taken at notional value of Rs. 1,000/- after amortising the asset over its estimated useful life as asset is still in use. | | | |
| 7 LONG TERM SECURITY DEPOSITS | | | |
| Against utilities | | 40,251,445 | 40,251,445 |
| Against rent | | 210,000 | 210,000 |
| Others | | 60,000 | 60,000 |
| | | 40,521,445 | 40,521,445 |
| 8 DEFERRED TAX ASSETS | | | |
| The company has not recognised deferred tax asset amounting to Rs. 172,416,974/- (2021: 158,067,319/-) in respect of temporary differences arising from carrying values and tax base of assets and liabilities and unused tax losses, in view of prudence and to cover uncertainty factor. | | | |
| 9 STOCK IN TRADE | | | |
| Raw material | | 4,781,225 | 4,781,225 |
| Less: Provision for obsolete raw material | | (4,781,225) | - |
| | | - | 4,781,225 |
| 10 TRADE DEBTORS | | | |
| Unsecured and considered good by the management | | | |
| Trade debtors | | 45,218,980 | 46,669,340 |
| Remeasurement of expected credit loss | 10.1 | (45,218,980) | (37,735,982) |
| | | - | 8,933,358 |
| 10.1 Remeasurement of expected credit loss | | | |
| Opening balance | | 37,735,982 | 32,940,038 |
| Charged for the year | | 7,482,998 | 4,795,944 |
| Closing balance | | 45,218,980 | 37,735,982 |
| 11 ADVANCES | | | |
| Unsecured and considered good by the management | | | |
| Advances | | | |
| To employees - against expenses | | 24,400 | 24,898 |
| For supplies/ services | 11.1 | 1,208,110 | 1,208,110 |
| Letter of credits | 11.2 | - | - |
| Margin against letter of credits | | 9,229 | 9,229 |
| | | 1,241,739 | 1,242,237 |
| 11.1 For supplies/services | | | |
| Provision against doubtful advances | | 1,958,110 | 3,526,502 |
| Opening balance | | 2,318,392 | 1,568,392 |
| Bad debts written off | | (1,568,392) | - |
| Charged for the year | | - | 750,000 |
| Closing balance | | (750,000) | (2,318,392) |
| | | 1,208,110 | 1,208,110 |
| 11.2 Advance letter of credits | | | |
| Provision against letter of credits | | 3,631,900 | 3,631,900 |
| | | (3,631,900) | (3,631,900) |
| | | - | - |



| | Note | 2022 Rupees | 2021 Rupees |
|--|------|-------------------|------------------|
| 12 TAXES REFUNDABLE/ ADJUSTABLE | | | |
| Advance income tax | | 8,310,587 | 7,952,912 |
| Input sales tax | | 1,746,095 | 541,674 |
| | | <u>10,056,682</u> | <u>8,494,586</u> |
| 13 CASH AND BANK BALANCES | | | |
| Cash in hand | | 2,661 | 7,400 |
| Cash at banks: | | | |
| - current accounts | | 91,203 | 64,490 |
| - deposit accounts | 13.1 | 23,879 | 21,607 |
| | | <u>115,082</u> | <u>86,097</u> |
| | | <u>117,743</u> | <u>93,497</u> |

13.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 2,911/- (2021: Rs. 2,757/-). Management of the Company as per arrangement can't withdraw amounts once deposited in this bank account.

14 SHARE CAPITAL

| 30 June 2022 | 30 June 2021 |
|------------------|-----------------|
| 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

| | | | | |
|-------------|-------------|---|---------------|---------------|
| 315,733,860 | 315,733,860 | Ordinary share of Rs.10 each fully paid in cash | 3,157,338,600 | 3,157,338,600 |
|-------------|-------------|---|---------------|---------------|

14.1 It includes 84,166,705 (2021: 84,166,705) ordinary shares of Rs.10/- each amounting to Rs. 841,667,050/- (2021: Rs. 841,667,050/-) held by related parties.

14.2 The Company has only one class of ordinary shares. The holders of ordinary shares have equal right to receive dividend, bonus and right issue as declared, vote and block voting at meetings, board selection and right of first refusal of the Company.

14.3 The Company has not reserved shares for issue under options or sale contracts.

14.4 Reconciliation of shares is not required in view of no change.

15 DISCOUNT ON ISSUE OF RIGHT SHARES

| | |
|---------------|---------------|
| 1,365,481,480 | 1,365,481,480 |
|---------------|---------------|

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

16 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED

| | | |
|--|--------------------|--------------------|
| From Crescent Star Insurance Limited and its assignees | 354,279,066 | 354,279,066 |
| From directors | 3,820,953 | 3,820,953 |
| | <u>358,100,019</u> | <u>358,100,019</u> |

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 unsecured and interest free. In the previous years, CSIL assigned aggregate amount of Rs. 247,995,000/- and Rs. 57,768,000/- to Dynasty Trading (Private) Limited 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 23 on contingencies.



| | Note | 2022 Rupees | 2021 Rupees |
|--|--------|----------------------|----------------------|
| 17 LONG TERM FINANCING - SECURED | | | |
| From banking companies and financial institutions | | | |
| Term finance - restructured facilities | 17.1 | | |
| Opening balance | | 793,814,703 | 794,341,078 |
| Paid during the year | | - | (526,375) |
| | | <u>793,814,703</u> | <u>793,814,703</u> |
| Less: Current portion | | (116,438,704) | (93,150,964) |
| Less: Overdue portion | 17.1.1 | (222,378,571) | (129,227,607) |
| | | <u>(338,817,275)</u> | <u>(222,378,571)</u> |
| | | <u>454,997,428</u> | <u>571,436,132</u> |

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

Terms of rescheduled and restructured agreement are as follows:

a) For the repayment of the unpaid markup, markup has been calculated on the total outstanding amount from the date of last payment till 30 June 2016 - the assumed date of commissioning @ 8% per annum. As per the terms of the agreement the syndicate loan banks individually have the following two options regarding the repayment of the unpaid markup:

i) Option I : The total Markup calculated will be converted into a "Zero Coupon 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).

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

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

- b) The markup rate effective from the date of commissioning is 3 Month KIBOR payable quarterly in arrears.
- c) The principal repayment is made in 41 quarterly instalments commencing from 31 March 2016 and ending on 31 December 2025 as per repayment schedule.
- d) The loan is secured by a mortgage by deposit of title deeds of the mortgaged properties, a charge by way of hypothecation over hypothecated assets, pledge of the pledged shares, and personal guarantees of the sponsors.

17.1.1 Overdue portion of liability represents amount due from partial installment of fourth quarter of year 2019 upto 30 June 2022 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.

18 MARKUP ACCRUED ON SECURED LOANS

On secured loans
Refer note 17

| | |
|--------------------|--------------------|
| <u>614,940,264</u> | <u>614,940,264</u> |
|--------------------|--------------------|



| | Note | 2022 Rupees | 2021 Rupees |
|---|--------|--------------------|--------------------|
| 19 DEFERRED LIABILITIES | | | |
| Staff gratuity | 19.1 | 24,480,355 | 23,418,350 |
| | | <u>24,480,355</u> | <u>23,418,350</u> |
| 19.1 Staff gratuity | | | |
| Movement in net defined benefit obligation recognized in statement of financial position: | | | |
| Opening balance | | 23,418,350 | 19,141,845 |
| Provision for the year | 19.1.1 | 1,062,005 | 4,276,505 |
| | | <u>24,480,355</u> | <u>23,418,350</u> |
| Less: Payments made during the year | | - | - |
| | | <u>24,480,355</u> | <u>23,418,350</u> |
| 19.1.1 The Company operates a unfunded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity scheme are undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2019, using the "Projected Unit Credit Method". However, the amount is charged on the basis of last drawn salary of eligible employees with the Company as on 30 June 2022. | | | |
| Provision of gratuity for the year has been allocated as follows: | | | |
| Cost of sales | 25.1 | 575,505 | 608,505 |
| Administrative and selling expenses | 26.1 | 486,500 | 3,668,000 |
| | | <u>1,062,005</u> | <u>4,276,505</u> |
| 20 TRADE AND OTHER PAYABLES - UNSECURED | | | |
| Creditors | | 18,099,419 | 45,820,415 |
| Contract liabilities | | 419,438 | 493,778 |
| Accrued liabilities | | 27,639,098 | 36,339,716 |
| Payable to old employees | | 3,011,341 | 3,011,341 |
| | | <u>49,169,296</u> | <u>85,665,250</u> |
| 21 ACCRUED MARKUP | | | |
| Long term financing - secured | | 259,916,909 | 169,694,601 |
| It represents markup pertaining to overdue portion (as explained in note 17). It includes Rs. 31,501,202/- payable to Pak Kuwait Investment Company (Private) Limited as they have not yet accepted and signed the restructuring agreement. | | | |
| 22 SHORT TERM BORROWINGS - UNSECURED | | | |
| Loan from directors | | 228,213,780 | 197,850,493 |
| Loan from sponsors | | 45,721,516 | 25,901,017 |
| | | <u>273,935,296</u> | <u>223,751,510</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. 33,137,078/-, repayment of loan amounting to Rs. 2,057,291/-, salaries and allowances amounting to Rs. 19,104,000/- payable to directors transferred to their short term borrowings. | | | |
| 23 CONTINGENCIES AND COMMITMENTS | | | |
| 23.1 Contingencies | | | |
| 23.1.1 The Company is not exposed to any contingent liability in respect of syndicated loan at the statement of financial position date, in view of restructuring agreement - Note 17. | | | |
| In the year ended 30 June 2015, two suits were pending against the Company in the High Court for the recovery of Rs. 1,299,588,534/- and Rs. 122,197,136/- filed by Faysal Bank Limited and others and Pakistan Kuwait Investment Company (Private) Limited respectively. | | | |
| 23.1.2 The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL) as described in note 16. The advance is interest free and the fact was confirmed in the confirmation for the year ended 30 June 2016. The CSIL after the right issue unilaterally started claiming markup @ 1 year KIBOR + 3% which the Company does not accept being against the agreed terms and is apparently illegal demand. The amount of disputed markup as on 30 June 2020 calculates to Rs. 187,474,579/-. CSIL has also filed civil suit disputing assignment of Rs. 247,995,000/- in favour of Dynasty Trading (Private) Limited as disclosed in note 16. | | | |
| 23.2 Commitments | | | |
| Non-capital commitments - Post dated cheques | | 1,625,000 | 2,478,128 |
| There are no other contingencies or commitments of the Company except as described above. | | | |



| | Note | 2022 Rupees | 2021 Rupees |
|---|-------|----------------|----------------|
| 24 SALES | | | |
| Bar sales | | - | - |
| End cut | | - | 8,464,752 |
| | | - | 8,464,752 |
| Less : Sales tax | | - | (1,410,792) |
| | | - | 7,053,960 |
| 25 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 | 9 | - | (4,781,225) |
| | | 4,781,225 | - |
| Manufacturing overheads | | | |
| Salaries, wages and other benefits | 25.1 | 8,538,103 | 8,776,895 |
| Stores and spares consumed | | - | 7,993 |
| Fuel, power and water | | 7,863,903 | 6,394,274 |
| Travelling and conveyance | | 15,130 | 1,050 |
| Entertainment | | 17,260 | 21,120 |
| Repair and maintenance | | 148,940 | 127,810 |
| Printing and stationery | | 4,895 | 1,425 |
| Internet charges | | - | 12,096 |
| Depreciation | 5.1.1 | 17,108,819 | 19,101,570 |
| Others | | - | 3,820 |
| | | 33,697,050 | 34,448,053 |
| Add: Opening stock of work in process | | - | 17,955,072 |
| Less: Closing stock of work in process | | - | - |
| | | - | 17,955,072 |
| Cost of goods manufactured | | 38,478,275 | 52,403,125 |
| Add: Opening stock of finished goods | | - | 8,972,111 |
| Less: Closing stock of finished goods | | - | - |
| | | - | 8,972,111 |
| | | 38,478,275 | 61,375,236 |
| 25.1 Salaries, wages and other benefits include Rs. 575,505/- (2021 : 608,505/-) in respect of gratuity (note 19.1.1). | | | |
| 26 ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Salaries and other benefits | 26.1 | 26,195,466 | 48,949,423 |
| Utilities | | 235,595 | 302,705 |
| Rent, rates and taxes | | 940,043 | 1,036,291 |
| Printing and stationery | | 212,491 | 23,376 |
| Vehicle running and maintenance | | 48,940 | 441,133 |
| Telephone, postage and couriers | | 223,393 | 137,290 |
| Auditors' remuneration | 26.2 | 647,600 | 665,100 |
| Legal and professional charges | | 2,854,971 | 1,619,837 |
| Entertainment expenses | | 38,595 | 56,421 |
| Repairs and maintenance | | 322,445 | 444,542 |
| Traveling and conveyance | | 36,425 | 130,044 |
| Fees and subscription | | 1,843,192 | 1,551,288 |
| Bad debts | 26.3 | 7,482,998 | 5,545,944 |
| Depreciation | 5.1.1 | 405,002 | 521,826 |
| Amortization | 6 | 332,405 | 333,405 |
| General expenses | | - | 5,000 |
| | | 41,819,561 | 61,763,625 |
| 26.1 Salaries, wages and other benefits include Rs. 486,500/- (2021: Rs. 3,668,000/-) in respect of gratuity (note 19.1.1). | | | |
| 26.2 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 | | 40,000 | 42,000 |
| Out of pocket expenses | | - | 15,500 |
| | | 647,600 | 665,100 |



| | Note | 2022 Rupees | 2021 Rupees |
|--|--------|--------------------|--------------------|
| 26.3 Bad debts | | | |
| Expected credit loss on trade debtors | 10.1 | 7,482,998 | 4,795,944 |
| Provision against doubtful advances | 11.1 | - | 750,000 |
| | | <u>7,482,998</u> | <u>5,545,944</u> |
| 27 FINANCE COST | | | |
| Markup on long term financing | | 90,222,308 | 59,853,648 |
| Bank charges and commission | | 19,270 | 45,295 |
| | | <u>90,241,578</u> | <u>59,898,943</u> |
| 28 OTHER OPERATING INCOME | | | |
| <u>Income from financial instruments</u> | | | |
| Profit on bank deposit accounts | | 2,705 | 17,353 |
| Exchange gain | | - | 1,066,560 |
| Creditors written back | | 35,695,408 | - |
| | | <u>35,698,113</u> | <u>1,083,913</u> |
| <u>Income from non-financial instruments</u> | | | |
| Miscellaneous income | | - | 3,867 |
| | | <u>35,698,113</u> | <u>1,087,780</u> |
| 29 TAXATION | | | |
| Current tax | | - | 105,809 |
| Deferred tax | | - | - |
| | | <u>-</u> | <u>105,809</u> |
| 29.1 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. | | | |
| 30 LOSS PER SHARE - BASIC AND DILUTED | | | |
| Loss per share is calculated by dividing the loss after tax for the year by the weighted average number of ordinary shares outstanding during the year as follows: | | | |
| Loss attributable to ordinary shareholders | Rupees | (134,841,301) | (175,001,873) |
| 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>(0.43)</u> | <u>(0.55)</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. | | | |



31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

31.1 Financial instrument by category

Financial assets - At amortized cost

| | 2022 Rupees | 2021 Rupees |
|-----------------------------|-------------------|-------------------|
| Long term security deposits | 40,521,445 | 40,521,445 |
| Trade debtors | - | 8,933,358 |
| Advances | 9,229 | 9,229 |
| Cash and bank balances | 117,743 | 93,497 |
| | <u>40,648,417</u> | <u>49,557,529</u> |

Financial liabilities - At amortized cost

| | | |
|---|----------------------|----------------------|
| Advance for issuance of shares-unsecured | 358,100,019 | 358,100,019 |
| Long term financing - secured | 454,997,428 | 571,436,132 |
| Markup accrued on secured loans | 614,940,264 | 614,940,264 |
| Trade and other payables | 48,749,858 | 85,171,472 |
| Accrued Mark up | 259,916,909 | 169,694,601 |
| Short term borrowings - unsecured | 273,935,296 | 223,751,510 |
| Current and overdue portion of long term borrowings | 338,817,275 | 222,378,571 |
| | <u>2,349,457,049</u> | <u>2,245,472,569</u> |

31.2 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Out of the total financial assets of Rs. 40,648,417/- (2021: Rs. 49,557,529/-), the financial assets which are subject to credit risk amounted to Rs. 40,645,756/- (2021: Rs.49,550,129).

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:

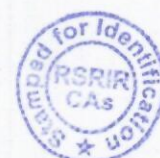
| | | |
|-----------------------------|-------------------|-------------------|
| Long term security deposits | 40,521,445 | 40,521,445 |
| Trade debtors | - | 8,933,358 |
| Advances | 9,229 | 9,229 |
| Cash and bank balances | 115,082 | 86,097 |
| | <u>40,645,756</u> | <u>49,550,129</u> |

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 | 45,218,980 | 38,204,588 |
| | <u>45,218,980</u> | <u>46,669,340</u> |
| Remeasurement of Expected Credit Loss | <u>(45,218,980)</u> | <u>(37,735,982)</u> |
| | - | 8,933,358 |

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 | 45,218,980 | 33,871,630 |
| | <u>45,218,980</u> | <u>37,735,982</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 | 2022 | | 2021 | |
|---------------------------------|---------------|------------|-----------|----------------|---------------|
| | | Rupees | | Rupees | |
| | | Rating | | Rating | |
| | | Short term | Long term | 2022 | 2021 |
| Askari Bank Limited | PACRA | A-1+ | AA+ | 4,530 | 5,402 |
| Faysal Bank Limited | VIS & PACRA | A-1+ | AA | 34,342 | 34,188 |
| National Bank of Pakistan | VIS & PACRA | A-1+ | AAA | 4,100 | 4,100 |
| Silk Bank Limited | VIS | A-2 | A- | 15,004 | 14,071 |
| United Bank Limited | VIS | A-1+ | AAA | 36,753 | 10,887 |
| Soneri Bank Limited | PACRA | A-1+ | AA- | 5,964 | 4,779 |
| Habib Metropolitan Bank Limited | PACRA | A-1+ | AA+ | - | 57 |
| Bank Alfalah Limited | PACRA | A-1+ | AA+ | 10,435 | 10,435 |
| Allied Bank Limited | PACRA | A-1+ | AAA | 3,924 | - |
| Meezan Bank Limited | VIS | A-1+ | AAA | 30 | 2,178 |
| | | | | 115,082 | 86,097 |

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 |
|---|----------------------|------------------------|--------------------|----------------------|----------------------|
| | | | | | |
| | | | | | |
| 30 June 2022 | | | | | |
| Advance for issuance of shares-unsecured | 358,100,019 | 358,100,019 | - | - | 358,100,019 |
| Long term financing - secured | 454,997,428 | 504,066,221 | - | - | 504,066,221 |
| Markup accrued on secured loans | 614,940,264 | 614,940,264 | - | - | 614,940,264 |
| Trade and other payables | 48,749,858 | 48,749,858 | 48,749,858 | - | - |
| Accrued Mark up | 259,916,909 | 259,916,909 | 259,916,909 | - | - |
| Short term borrowings - unsecured | 273,935,296 | 273,935,296 | 273,935,296 | - | - |
| Current and overdue portion of long term borrowings | 338,817,275 | 372,116,522 | 248,188,970 | 123,927,552 | - |
| | 2,349,457,049 | 2,431,825,089 | 830,791,033 | 123,927,552 | 1,477,106,504 |
| 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 |

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:



| | 2022 | 2021 | 2022 | 2021 | 2022 Rupees | 2021 Rupees |
|-----------|------|---------|---------------|-------|----------------|----------------|
| | US\$ | | Exchange Rate | | | |
| Creditors | - | 101,000 | 206.5 | 157.8 | - | 15,911,540 |

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 | 2022 Rate | 2021 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 | 4,549,974 | 5,714,361 |
| Overdue portion | 100 bps | 3,388,173 | 2,223,786 |

Capital risk management

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

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

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

| | | |
|------------------------------|---------------|---------------|
| Total debts | 1,067,749,999 | 1,017,566,213 |
| Less: Cash and bank balances | (117,743) | (93,497) |
| Net debt | 1,067,632,256 | 1,017,472,716 |
| Total equity | 241,577,527 | 376,418,828 |
| Net debt-to-equity (Times) | 4.42 | 2.70 |

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.



32 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel, staff retirement funds and entities over which directors are able to exercise influence. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed based on inter company prices using admissible valuation modes, i.e. comparable uncontrolled price method except short term 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 16 and 22, shares held by related parties in note 14.1 and remuneration paid to chief executive and directors is disclosed in note 33 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 | 8.672% |
| 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% |

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

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

| | <u>Chief Executive</u> | | <u>Directors</u> | | <u>Executives</u> | |
|---------------------------|------------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | Rupees | | | | | |
| Managerial remuneration | 7,800,000 | 15,600,000 | 10,800,000 | 21,600,000 | 3,660,000 | 3,660,000 |
| Other allowances | - | - | - | - | - | - |
| Car allowances | - | - | 504,000 | 1,008,000 | 1,200,000 | 1,200,000 |
| Staff retirement gratuity | - | 1,300,000 | - | 1,884,000 | 405,000 | 405,000 |
| Directors' meeting fee | - | - | - | - | - | - |
| | <u>7,800,000</u> | <u>16,900,000</u> | <u>11,304,000</u> | <u>24,492,000</u> | <u>5,265,000</u> | <u>5,265,000</u> |
| Number of person(s) | <u>1</u> | <u>1</u> | <u>3</u> | <u>3</u> | <u>2</u> | <u>2</u> |

Chief executive and directors of the Company are also provided with the Company maintained cars.

34 OPERATING SEGMENT

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

35 PRODUCTION CAPACITY

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|-------------|
| | <u>Metric Tons</u> | |
| Total Installed Capacity - on three shift basis | 350,000 | 350,000 |
| Available Installed Capacity - on three shift basis | 350,000 | 350,000 |
| Actual Production | - | - |

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

36 NUMBER OF EMPLOYEES

| | <u>Number</u> | |
|---|---------------|----|
| Number of employees as at 30 June | 27 | 33 |
| Average number of employees during the year | 26 | 33 |



37 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

38 ISSUE OF FURTHER SHARE CAPITAL TO POTENTIAL INVESTORS

The Company is in process of issuing further share capital other than right shares to settle the defaulted bank liabilities and to provide for/ arrange working capital to revive the operations of the Company. The board of directors in their meeting held on 18 January 2022 has approved the offer from Mr. Khawaja Shahzeb Akram being the potential investor to invest upto 29% in share capital (after the issuance of these shares) of the Company. The board decision is also approved by the members of the Company in the extraordinary general meeting held on 10 February 2022. The future implications of the scheme cannot presently be estimated as it is subject to the applicable statutory and regulatory approvals, which are in process.

39 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.

40 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.


41 DATE OF AUTHORIZATION FOR ISSUE

10 3 OCT 2022

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

42 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
Pattern of Shareholding
As On 30/06/2022

Page: 1

| NO. OF SHAREHOLDERS | <--- HAVING SHARES ---> | | SHARES HELD | PERCENTAGE |
|---------------------|-------------------------|--------|-------------|------------|
| | From | To | | |
| 277 | 1 | 100 | 6464 | 0.0020 |
| 6534 | 101 | 500 | 3238972 | 1.0259 |
| 1165 | 501 | 1000 | 1151479 | 0.3647 |
| 2824 | 1001 | 5000 | 8383158 | 2.6551 |
| 881 | 5001 | 10000 | 7154840 | 2.2661 |
| 345 | 10001 | 15000 | 4523269 | 1.4326 |
| 221 | 15001 | 20000 | 4119969 | 1.3049 |
| 190 | 20001 | 25000 | 4495818 | 1.4239 |
| 112 | 25001 | 30000 | 3235317 | 1.0247 |
| 68 | 30001 | 35000 | 2296753 | 0.7274 |
| 58 | 35001 | 40000 | 2228300 | 0.7058 |
| 35 | 40001 | 45000 | 1522920 | 0.4823 |
| 98 | 45001 | 50000 | 4832900 | 1.5307 |
| 24 | 50001 | 55000 | 1270060 | 0.4023 |
| 23 | 55001 | 60000 | 1347620 | 0.4268 |
| 18 | 60001 | 65000 | 1120580 | 0.3549 |
| 18 | 65001 | 70000 | 1227580 | 0.3888 |
| 22 | 70001 | 75000 | 1631700 | 0.5168 |
| 16 | 75001 | 80000 | 1251495 | 0.3964 |
| 6 | 80001 | 85000 | 505500 | 0.1601 |
| 10 | 85001 | 90000 | 875500 | 0.2773 |
| 5 | 90001 | 95000 | 464000 | 0.1470 |
| 63 | 95001 | 100000 | 6289470 | 1.9920 |
| 6 | 100001 | 105000 | 610300 | 0.1933 |
| 9 | 105001 | 110000 | 983300 | 0.3114 |
| 6 | 110001 | 115000 | 672661 | 0.2130 |
| 7 | 115001 | 120000 | 834000 | 0.2641 |
| 8 | 120001 | 125000 | 995000 | 0.3151 |
| 8 | 125001 | 130000 | 1029500 | 0.3261 |
| 1 | 130001 | 135000 | 134000 | 0.0424 |
| 4 | 135001 | 140000 | 555500 | 0.1759 |
| 3 | 140001 | 145000 | 429000 | 0.1359 |
| 13 | 145001 | 150000 | 1945500 | 0.6162 |

DOST STEELS LIMITED

Pattern of Shareholding

As On 30/06/2022

Page : 2

| NO. OF SHAREHOLDERS | <--- HAVING SHARES ---> | | SHARES HELD | PERCENTAGE |
|---------------------|-------------------------|--------|-------------|------------|
| | From | To | | |
| 1 | 150001 | 155000 | 154000 | 0.0488 |
| 4 | 155001 | 160000 | 632408 | 0.2003 |
| 4 | 160001 | 165000 | 657000 | 0.2081 |
| 6 | 165001 | 170000 | 1012000 | 0.3205 |
| 5 | 170001 | 175000 | 868500 | 0.2751 |
| 1 | 175001 | 180000 | 179000 | 0.0567 |
| 1 | 180001 | 185000 | 184500 | 0.0584 |
| 6 | 185001 | 190000 | 1136500 | 0.3600 |
| 2 | 190001 | 195000 | 387000 | 0.1226 |
| 33 | 195001 | 200000 | 6595200 | 2.0888 |
| 1 | 200001 | 205000 | 205000 | 0.0649 |
| 1 | 205001 | 210000 | 206000 | 0.0652 |
| 1 | 210001 | 215000 | 213000 | 0.0675 |
| 2 | 215001 | 220000 | 440000 | 0.1394 |
| 3 | 220001 | 225000 | 670500 | 0.2124 |
| 1 | 225001 | 230000 | 229500 | 0.0727 |
| 1 | 230001 | 235000 | 233000 | 0.0738 |
| 2 | 235001 | 240000 | 475460 | 0.1506 |
| 1 | 240001 | 245000 | 244500 | 0.0774 |
| 4 | 245001 | 250000 | 992500 | 0.3143 |
| 3 | 250001 | 255000 | 758000 | 0.2401 |
| 2 | 255001 | 260000 | 517500 | 0.1639 |
| 1 | 260001 | 265000 | 261360 | 0.0828 |
| 1 | 265001 | 270000 | 270000 | 0.0855 |
| 2 | 270001 | 275000 | 548200 | 0.1736 |
| 3 | 275001 | 280000 | 837242 | 0.2652 |
| 1 | 280001 | 285000 | 285000 | 0.0903 |
| 1 | 285001 | 290000 | 287000 | 0.0909 |
| 1 | 290001 | 295000 | 295000 | 0.0934 |
| 8 | 295001 | 300000 | 2396000 | 0.7589 |
| 1 | 300001 | 305000 | 305000 | 0.0966 |
| 1 | 305001 | 310000 | 309000 | 0.0979 |
| 1 | 310001 | 315000 | 312000 | 0.0988 |

DOST STEELS LIMITED

Pattern of Shareholding

As On 30/06/2022

Page : 3

| NO. OF SHAREHOLDERS | <--- HAVING SHARES ---> | | SHARES HELD | PERCENTAGE |
|---------------------|-------------------------|--------|-------------|------------|
| | From | To | | |
| 1 | 315001 | 320000 | 317000 | 0.1004 |
| 3 | 320001 | 325000 | 973500 | 0.3083 |
| 1 | 325001 | 330000 | 327280 | 0.1037 |
| 2 | 330001 | 335000 | 669000 | 0.2119 |
| 4 | 335001 | 340000 | 1352380 | 0.4283 |
| 1 | 340001 | 345000 | 343000 | 0.1086 |
| 3 | 345001 | 350000 | 1050000 | 0.3326 |
| 1 | 350001 | 355000 | 351500 | 0.1113 |
| 1 | 355001 | 360000 | 360000 | 0.1140 |
| 1 | 360001 | 365000 | 365000 | 0.1156 |
| 1 | 365001 | 370000 | 370000 | 0.1172 |
| 2 | 385001 | 390000 | 780000 | 0.2470 |
| 1 | 390001 | 395000 | 394000 | 0.1248 |
| 4 | 395001 | 400000 | 1600000 | 0.5068 |
| 1 | 400001 | 405000 | 401000 | 0.1270 |
| 1 | 415001 | 420000 | 417000 | 0.1321 |
| 1 | 425001 | 430000 | 430000 | 0.1362 |
| 3 | 445001 | 450000 | 1350000 | 0.4276 |
| 2 | 455001 | 460000 | 915500 | 0.2900 |
| 1 | 480001 | 485000 | 485000 | 0.1536 |
| 1 | 485001 | 490000 | 490000 | 0.1552 |
| 5 | 495001 | 500000 | 2497000 | 0.7909 |
| 1 | 515001 | 520000 | 515500 | 0.1633 |
| 1 | 520001 | 525000 | 525000 | 0.1663 |
| 1 | 595001 | 600000 | 600000 | 0.1900 |
| 1 | 605001 | 610000 | 606680 | 0.1921 |
| 1 | 620001 | 625000 | 625000 | 0.1980 |
| 1 | 625001 | 630000 | 625500 | 0.1981 |
| 1 | 630001 | 635000 | 630040 | 0.1995 |
| 2 | 695001 | 700000 | 1400000 | 0.4434 |
| 1 | 705001 | 710000 | 710000 | 0.2249 |
| 1 | 735001 | 740000 | 737500 | 0.2336 |
| 2 | 745001 | 750000 | 1500000 | 0.4751 |

DOST STEELS LIMITED

Pattern of Shareholding

As On 30/06/2022

Page : 4

| NO. OF SHAREHOLDERS | <--- HAVING SHARES ---> | | SHARES HELD | PERCENTAGE |
|---------------------|-------------------------|---------|-------------|------------|
| | From | To | | |
| 1 | 755001 | 760000 | 757000 | 0.2398 |
| 1 | 775001 | 780000 | 775500 | 0.2456 |
| 1 | 795001 | 800000 | 800000 | 0.2534 |
| 2 | 875001 | 880000 | 1755000 | 0.5558 |
| 1 | 950001 | 955000 | 951500 | 0.3014 |
| 1 | 985001 | 990000 | 988000 | 0.3129 |
| 4 | 995001 | 1000000 | 4000000 | 1.2669 |
| 1 | 1025001 | 1030000 | 1030000 | 0.3262 |
| 1 | 1070001 | 1075000 | 1073500 | 0.3400 |
| 1 | 1075001 | 1080000 | 1080000 | 0.3421 |
| 1 | 1155001 | 1160000 | 1156500 | 0.3663 |
| 1 | 1195001 | 1200000 | 1200000 | 0.3801 |
| 1 | 1230001 | 1235000 | 1233000 | 0.3905 |
| 1 | 1265001 | 1270000 | 1270000 | 0.4022 |
| 1 | 1275001 | 1280000 | 1280000 | 0.4054 |
| 2 | 1495001 | 1500000 | 3000000 | 0.9502 |
| 1 | 1570001 | 1575000 | 1573500 | 0.4984 |
| 1 | 1605001 | 1610000 | 1608500 | 0.5094 |
| 1 | 1635001 | 1640000 | 1636000 | 0.5182 |
| 1 | 1640001 | 1645000 | 1644000 | 0.5207 |
| 1 | 1905001 | 1910000 | 1908300 | 0.6044 |
| 1 | 2875001 | 2880000 | 2880000 | 0.9122 |
| 1 | 2905001 | 2910000 | 2909500 | 0.9215 |
| 1 | 2985001 | 2990000 | 2986043 | 0.9457 |
| 1 | 3305001 | 3310000 | 3306500 | 1.0472 |
| 1 | 3420001 | 3425000 | 3424484 | 1.0846 |
| 1 | 3700001 | 3705000 | 3704000 | 1.1731 |
| 1 | 3795001 | 3800000 | 3797400 | 1.2027 |
| 1 | 3995001 | 4000000 | 4000000 | 1.2669 |
| 1 | 4290001 | 4295000 | 4293912 | 1.3600 |
| 1 | 4495001 | 4500000 | 4500000 | 1.4253 |
| 1 | 4715001 | 4720000 | 4715780 | 1.4936 |
| 1 | 5540001 | 5545000 | 5544688 | 1.7561 |

DOST STEELS LIMITED

Pattern of Shareholding

As On 30/06/2022

Page : 5

| NO. OF SHAREHOLDERS | <--- HAVING SHARES ---> | | SHARES HELD | PERCENTAGE |
|---------------------|-------------------------|---------------|-------------|------------|
| | From | To | | |
| 1 | 7505001 | 7510000 | 7508710 | 2.3782 |
| 1 | 8005001 | 8010000 | 8007196 | 2.5361 |
| 1 | 15500001 | 15505000 | 15504000 | 4.9105 |
| 1 | 16595001 | 16600000 | 16600000 | 5.2576 |
| 1 | 20195001 | 20200000 | 20200000 | 6.3978 |
| 1 | 24575001 | 24580000 | 24577686 | 7.7843 |
| 1 | 27380001 | 27385000 | 27380986 | 8.6722 |
| 13283 | | Company Total | 315733860 | 100.0000 |

DOST STEELS LIMITED

Category of Shareholders

As On 30/06/2022

Page : 1

| Particulars | No of Folio | Balance Share | Percentage |
|---------------------------------------|-------------|---------------|------------|
| SPONSORS, DIRECTORS, CEO AND CHILDREN | 10 | 84166705 | 26.6575 |
| BANKS, DFI AND NBF | 3 | 819661 | 0.2596 |
| INSURANCE COMPANIES | 1 | 7020 | 0.0022 |
| GENERAL PUBLIC (LOCAL) | 12964 | 220477487 | 69.8302 |
| GENERAL PUBLIC (FOREIGN) | 261 | 5861971 | 1.8566 |
| OTHERS | 44 | 4401016 | 1.3939 |
| Company Total | 13283 | 315733860 | 100.0000 |

DOST STEELS LIMITED

Category of Shareholders

As On 30/06/2022

Page : 1

| Folio No | Name | Code | Balance Held | Percentage |
|--------------|--|------|--------------|------------|
| 003525056191 | RAEES IFTAKHAR | 001 | 5544688 | 1.7561 |
| 003525056203 | NAVIDA RAEES | 001 | 3424484 | 1.0846 |
| 009563010995 | SHAHAB MEHBOOB VOHRA | 001 | 43000 | 0.0136 |
| 013912002167 | SAAD ZAHID | 001 | 4293912 | 1.3600 |
| 013912002175 | MONA ZAHID | 001 | 400000 | 0.1267 |
| 013912002183 | ZAHID IFTAKHAR | 001 | 24577686 | 7.7843 |
| 013912002225 | MUSTAFA JAMAL IFTAKHAR | 001 | 7508710 | 2.3782 |
| 013912002233 | BILAL JAMAL IFTAKHAR | 001 | 8007196 | 2.5361 |
| 013912002274 | JAMAL IFTAKHAR AHMED | 001 | 27380986 | 8.6722 |
| 013912002282 | NAJMA JAMAL IFTAKHAR | 001 | 2986043 | 0.9457 |
| 003525100145 | ESCORTS INVESTMENT BANK LIMITED | 004 | 9000 | 0.0029 |
| 018432001155 | SALIM SOZER SECURITIES (PRIVATE) LIMITED | 004 | 110661 | 0.0350 |
| 018432002237 | ASA STOCKS (PVT.) LIMITED | 004 | 700000 | 0.2217 |
| 007328008016 | CRESCENT STAR INSURANCE COMPANY LIMITED | 005 | 7020 | 0.0022 |
| 001669000026 | SHAFFI SECURITIES (PVT) LIMITED | 010 | 19510 | 0.0062 |
| 001826109215 | TPS PAKISTAN (PRIVATE) LIMITED | 010 | 32500 | 0.0103 |
| 001917000033 | PRUDENTIAL SECURITIES LIMITED | 010 | 1028 | 0.0003 |
| 002113003611 | FIRST UDL MODARABA STAFF PROVIDENT FUND | 010 | 2000 | 0.0006 |
| 003244000025 | ZAFAR SECURITIES (PVT) LTD. | 010 | 190000 | 0.0802 |
| 003277013154 | TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T | 010 | 100000 | 0.0317 |
| 003277060958 | MIAN NAZIR SONS IND. (PVT) LTD. | 010 | 30000 | 0.0095 |
| 003277083462 | NADEEM INTERNATIONAL (PVT.) LTD. | 010 | 250500 | 0.0793 |
| 003459031371 | CHENAB STOCK SERVICES (PRIVATE) LIMITED | 010 | 35000 | 0.0111 |
| 003525063817 | NH SECURITIES (PVT) LIMITED. | 010 | 20005 | 0.0063 |
| 003715003054 | TRUSTEES OF CANTEEN STORES DEPARTMENT (0517) | 010 | 1000 | 0.0003 |
| 004086000024 | MRA SECURITIES LIMITED | 010 | 340000 | 0.1077 |
| 004150016138 | BABAR (PRIVATE) LIMITED | 010 | 50000 | 0.0158 |
| 004648000017 | NCC-RETRIEVAL ACCOUNT | 010 | 1500 | 0.0005 |
| 004705078456 | TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND | 010 | 1500 | 0.0005 |
| 004895000026 | DJM SECURITIES LIMITED | 010 | 1500000 | 0.4751 |
| 005264156856 | PAK GASES (PVT.) LIMITED | 010 | 30000 | 0.0095 |

DOST STEELS LIMITED

Category of Shareholders
As On 30/06/2022

Page : 2

| Folio No | Name | Code | Balance Held | Percentage |
|--------------|--|------|--------------|------------|
| 005736000015 | NCC - PRE SETTLEMENT DELIVERY ACCOUNT | 010 | 10500 | 0.0033 |
| 005868000044 | CLIKTRADE LIMITED | 010 | 34 | 0.0000 |
| 005884017699 | J. K. SPINNING MILLS LIMITED | 010 | 75000 | 0.0238 |
| 006445032526 | STOCK MASTER SECURITIES (PVT) LTD | 010 | 1000 | 0.0003 |
| 006650000022 | SAAO CAPITAL (PVT) LIMITED | 010 | 50000 | 0.0158 |
| 006650000048 | SAAO CAPITAL (PVT) LIMITED | 010 | 56500 | 0.0179 |
| 006684095722 | MAK SECURITIES (PRIVATE) LIMITED | 010 | 1000 | 0.0003 |
| 006916000020 | PASHA SECURITIES (PVT) LTD. | 010 | 10000 | 0.0032 |
| 006957000026 | BABA EQUITIES (PVT) LTD. | 010 | 171000 | 0.0542 |
| 006999000022 | MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED | 010 | 44 | 0.0000 |
| 007278000028 | WASI SECURITIES (SMC-PVT) LTD. | 010 | 3395 | 0.0011 |
| 009787002657 | MEHDI SECURITIES (PRIVATE) LIMITED | 010 | 1000 | 0.0003 |
| 010231000027 | MSMANIAR FINANCIALS (PVT) LTD. | 010 | 500 | 0.0002 |
| 010470000029 | GPH SECURITIES (PVT.) LTD. | 010 | 30000 | 0.0095 |
| 011387037658 | WEAVERS PAKISTAN PVT LIMITED | 010 | 500 | 0.0002 |
| 011387037666 | ELAHI NOOR ENTERPRISES PVT LIMITED | 010 | 500 | 0.0002 |
| 011387039829 | CRESCENT STAR INSURANCE LIMITED | 010 | 500 | 0.0002 |
| 011387040298 | KM ENTERPRISES (PVT.) LIMITED | 010 | 500 | 0.0002 |
| 011387042864 | HAFIZ LIMITED | 010 | 10000 | 0.0032 |
| 011478000028 | CMA SECURITIES (PVT) LIMITED | 010 | 35000 | 0.0111 |
| 013417004073 | BEAMING INVEST & SECURITIES(PVT.) LTD. | 010 | 3000 | 0.0010 |
| 013417023149 | IMPERIAL INVESTMENT (PVT) LTD. | 010 | 500 | 0.0002 |
| 013748000857 | SUKKUR INSTITUTE OF BUSINESS ADMINISTRATION | 010 | 10000 | 0.0032 |
| 013912000021 | INTEGRATED EQUITIES LIMITED | 010 | 1200000 | 0.3801 |
| 014118000027 | ASDA SECURITIES (PVT.) LTD. | 010 | 25000 | 0.0079 |
| 015404000021 | FIRST CHOICE SECURITIES LIMITED | 010 | 100000 | 0.0317 |
| 015578000021 | BAWANY SECURITIES (PRIVATE) LIMITED | 010 | 1000 | 0.0003 |

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 _____
(Name) (Address)

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

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

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

who is also member of the Company vide Registered Folio No. /CDC A/c No. _____
(being the member of the Company)] as my / our proxy to attend at and
vote for me / us and on my/our behalf at an Annual General Meeting of the Company
to be held Friday 28th October 2022 at 9:30 a.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2022

(Witnesses)

1. _____
Signature

Name _____

Address _____

CNIC No. _____

2. _____
Signature

Name _____

Address _____

CNIC No. _____

Affix Revenue Stamp
of Rupees Five

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

Notes:

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

A. For Attending the Meeting.

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

B. For appointing Proxies.

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

پراسسی کا فارم

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر:
شیئرز

بخدمت جناب کمپنی سیکرٹری
دوست سٹیلز لمیٹڈ
کمرہ نمبر 401، 4th فلور،
ابراہیم ٹریڈ سینٹر،
1 ایبک بلاک، برکت مارکیٹ،
نیو گارڈن ٹائون، لاہور

میں / ہم نام پتہ
دوست سٹیلز لمیٹڈ کا ممبر ہونے کے ناطے مسمی / مسماہ ساکن پتہ
نام
کی تقرری مسمی / مسماہ ساکن
یا مسمی / مسماہ ساکن
کی جگہ پر جو کہ کمپنی کا ممبر برائے رجسٹرڈ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر ہے (کمپنی کا ممبر ہونے کے ناطے) کو اپنا
پراسسی (اختیار گرہندہ) کو میں نے / ہم نے / مورخہ 28 اکتوبر 2022 کو 9:30 صبح کو کمپنی کی مقرر کردہ سالانہ عام اجلاس میں اپنی جگہ
شرکت کے لئے اور دیگر متعلقہ کسی بھی تقریب کے لئے مقرر کیا ہے۔

دستخط ہذا _____ دن _____ 2022۔

گواہان

پانچ روپے کی ریونیوڈ پارٹمنٹ کی سٹیپ لف کریں!

1 _____

دستخط

A. میٹنگ میں شرکت کے لیے۔

(i) افراد کے معاملے میں اکاؤنٹ ہولڈر اور / یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اپنی شناخت کی تصدیق کرے گا اس کا اصل CNIC یا اصل پاسپورٹ کے ساتھ حصہ دار ID نمبر اور میٹنگ میں شرکت کے وقت اکاؤنٹ نمبر کی تصدیق کرنا لازم ہوگا۔

(ii) کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت بورڈ کی ریزولوشن / پاور آف اٹارنی جس میں نامزد شخص کے سیمپل دستخط ہوں گے (اگر پہلے فراہم نہ کیا کیے گئے ہوں) پیش کیا جائے گا۔

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

(i) افراد کے معاملے میں، اکاؤنٹ ہولڈر اور / یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا تقاضوں کے مطابق پراکسی فارم جمع کرائیں گے۔

(ii) پراکسی فارم پر دو افراد گواہی دیں گے، جن کے نام، پتہ اور CNIC نمبر فارم میں درج ہوں گے۔

(iii) شناختی کارڈ کی تصدیق شدہ کاپیاں یا اتھارٹی دہندگان کے پاسپورٹ اور اختیار گریہندہ کو پراکسی فارم کے ساتھ پیش ہونا لازم ہوگا۔

(iv) پراکسی (اختیار گریہندہ) میٹنگ کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔

(v) کارپوریٹ ادارے کی صورت میں، بورڈ کی قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط (اگر یہ پہلے فراہم نہ کیا گیا ہو) کمپنی کو پراکسی فارم کے ساتھ پیش کیا جائے گا۔



Dear Shareholders,

Consent for Circulation of Annual Audited Financial Statements through email

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

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

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

Shares Registrar

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

Yours Sincerely,
FOR DOST STEELS LIMITED

Company Secretary

www.jamapunji.pk

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