

DOST STEELS LIMITED

ANNUAL REPORT

2025

Our Vision

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

Our Mission

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

Corporate Strategies

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

COMPANY INFORMATION

Board of Directors

Mr. Naim Anwar
Mr. Abuzar Shad
Mr. Zahid Iftakhar
Mrs. Nargis Abuzar Shad
Mr. Muhammad Azhar Chughtai
Mr. Shafiq Ahmed Soomro
Mrs. Saba Azam
Mrs. Naushaba Shahzad
Nominated by NBP
Mr. Asim Jilani
Nominated by FBL
Mr. Suhail Elahi

Director/ Chairman
Director
Director
Female Director
Director
Director
Director
Director

Director

C.E.O

Shares Registrar

M/s. Corplink (Pvt.) Limited
Wings Arcade,
1-K Commercial, Model Town,
Lahore.
Phone +92 (042) 35916714
E-mail: corporate@corplink.com.pk

Audit Committee

Mr. Shafiq Ahmed Soomro
Mr. Muhammad Azhar Chughtai
Madam Saba Azam

Chairman
Member
Member

Head Office/Registered Office

Office # 6-F, 4th Floor, Al-Hafeez
Tower, M.M. Alam Road,
Gulerg-III, Lahore-54700
Pakistan.
Ph: # 042-35785342

Human resource & Remuneration Committee

Mr. Mian Abuzar Shad
Mr. Naim Anwar
Mr. Suhail Elahi

Chairman
Member
Member

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Chief Financial Officer

Mr. Muhammad Afzal Shehzad

Company Secretary

Mr. Muhammad Afzal Shehzad

Legal Advisor

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

Bankers

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

Plant Address

52 Km Lahore Multan Road
Phool Nagar, Distt Kasur Punjab

Web Presence

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

DOST STEELS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of the shareholders of Dost Steels Limited will be held on October 28, 2025 at 9.00 a.m. at 4th Floor, Al-Hafeez Tower, Office # 6-F, M.M. Alam Road, Lahore to transact the following business.

ORDINARY BUSINESS:

1. To confirm and approve the minutes of the Annual General Meeting held on November 27, 2024.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2025 together with the Chairman's review, Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company

3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, approve the increase in Authorized Share Capital of the Company and to pass the following 'Special Resolutions' with or without modifications;

"RESOLVED THAT that the authorized capital of the Company be further increased from PKR 4,450,000,000/- (Pak Rupees Four billion Four hundred Fifty million) divided into 445,000,000 (Four hundred Forty Five million) ordinary shares of PKR 10/- each to PKR 13,060,000,000/- (Pak Rupees Thirteen billion Sixty million) divided into 1,306,000,000 (One billion Three hundred Six thousand) ordinary shares of PKR 10/- each and the words and figures in Clause V of the Memorandum of Association and clause 5 of Articles of Association of the Company be and are hereby amended accordingly.

FURTHER RESOLVED THAT the Chief Executive and/or any one Director and/or the Company Secretary of the Company be and hereby authorized singly complete all the necessary corporate and legal formalities in respect of all above."

ANY OTHER BUSINESS:

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

A statement of material facts under Section 134(3) of the Companies Act, 2017 relating to the aforementioned Special Business to be transacted at the AGM is annexed with this Notice of AGM.

Lahore: October 03, 2025

By order of the Board
Muhammad Afzal Shehzad
CFO & Company Secretary

Notes:

1. The Share Transfer Books of the Company shall remain closed from October 22, 2025 to October 28, 2025 (both days inclusive). Transfers received at our registrar office M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore by the Close of business on October 21, 2025 will be treated time.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.
3. Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.
4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.
5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: afzal.shehzad@doststeels.com
7. It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:
 - i) E-Voting Procedure
 - (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.
 - (b) The web address: login details, will be communicated to members via email.
 - (c) Identity of the members intending to cast vote through E-voting shall be authenticated through authenticated login.

(d) E-Voting lines will start from October 23, 2025 10:00 am and shall close on October 27, 2025 at 5 p.m. Members can cast their votes any time in the period.

ii) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 to 145 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office one day before the AGM i.e. October 27, 2025 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

8. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended June 30, 2025 are also available on the Company's website: www.doststeels.com.
9. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.
10. Form of Proxy is enclosed.

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

The accompanying copy of the notice is for the purpose of convening the meeting of the members for passing of the Special Resolutions specified in the notice. The material facts relating to the Special Resolutions are as follows:

AGENDA ITEM 4: INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY

As per recommendations of the Board of Directors in their meeting held on March 26, 2025, the authorized capital of the Company be further increased from PKR 4,450,000,000/- (Pak Rupees Four billion Four hundred Fifty million) divided into 445,000,000 (Four hundred Forty Five million) ordinary shares of PKR 10/- each to PKR 13,060,000,000/- (Pak Rupees Thirteen billion Sixty million) divided into 1,306,000,000 (One billion Three hundred Six thousand) ordinary shares of PKR 10/- each and the words and figures in Clause V of the Memorandum of Association and clause 5 of Articles of Association of the Company be and are hereby amended accordingly.

CLAUSE-V OF THE MEMORANDUM OF ASSOCIATION

The Authorized Share Capital of the Company is PKR 13,060,000,000/- (Pak Rupees Thirteen billion Sixty million) divided into 1,306,000,000 (One billion Three hundred Six thousand) divided into 1,306,000,000 (One billion Three hundred Six thousand) ordinary shares of PKR 10/- (Pak Rupees Ten

Only) each. The Company shall have the power to increase, reduce, consolidate or re-organize the said capital and to divide the shares in the capital into several classes in accordance with the provisions of the Companies Act, 2017.”

CLAUSE-5 OF THE ARTICLES OF ASSOCIATION

The Authorized Capital of the Company is PKR 13,060,000,000/- (Pak Rupees Thirteen billion Sixty million) divided into 1,306,000,000 (One billion Three hundred Six thousand) divided into 1,306,000,000 (One billion Three hundred Six thousand) ordinary shares of PKR 10/- (Pak Rupees Ten Only) each with powers to increase, reduce, consolidate, sub- divide or otherwise reorganize the share capital of the Company.

بدیہ بدو مطلع کیا جاتا ہے کہ دوست اسٹیلز لمیٹڈ کے حصص داران کا سالانہ اجلاس عام 4th فورمارلٹھیڈ ٹاور، دفتر نمبر F-6، ایم عالم روڈ، لاہور پر 28 اکتوبر 2025، کو صبح 9:00 بجے منعقد ہوگا۔

عام امور:

1۔ 27 نومبر 2024 کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق اور منظوری دینا۔

2۔ 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ نظروں کی شدہ مالی گوشوارے معائنہ پریچیز میں کی جائزہ، ڈائریکٹرز اور ڈائریکٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔

کمپنیز ایکٹ 2017 (ایکٹ) کی دفعہ (6) 223 کے تقاضے کے مطابق، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کردیئے گئے ہیں۔

3۔ 30 جون 2026 کو ختم ہونے والے سال کے لئے ڈائریکٹرز کا قراردادوں کے عملہ مدت کا تئیں کرنا۔

خصوصی کاروبار:

4۔ غور و خوض اور اگر مناسب سمجھا گیا تو، کمپنی کے چار شیئر کیچل میں اضافہ کی منظوری دینا اور ترمیم کے ساتھ یا اس کے بغیر درج ذیل، خصوصی قراردادیں پاس کرنا۔

” قرار پایا کہ کمپنی کا جائز سرمایہ -/4,450,000,000 روپے (چار بلین چار سو پچاس ملین پاکستانی روپے) (جو کہ ہر -/10 روپے کے 445,000,000 (چار سو پینتالیس ملین) عام حصص میں تقسیم شدہ سے مزید بڑھا کر -/13,060,000,000 روپے) (تیرہ بلین ساٹھ ملین پاکستانی روپے) (جو کہ ہر -/10 روپے کے 1,306,000,000 (ایک بلین تین سو چھ ہزار) عام حصص میں تقسیم شدہ کیا جائے اور کمپنی کے عبور درآمد آف ایسوی انشیں کی حق V اور آر ٹیکلز آف ایسوی انشیں کی حق S میں با ترتیب الفاظ اور اعداد و شمار بدیہ بدو متدہ مل گئے گئے ہیں۔

مزید قرار پایا کہ چیف ایگزیکٹو اور/یا کوئی ایک ڈائریکٹر اور/یا کمپنی کے کمپنی کنٹرری کو بدیہ بدو مندرجہ بالا تمام ضروری کارپوریٹ اور قانونی ضابطوں کو مکمل کرنے کا اختیار دیا گیا ہے۔“

کوئی دیگر امور

6۔ صاحبِ صدر کی اجازت سے کسی دیگر امور پر کارروائی کرنا۔

AGM میں سرانجام دیئے جانے والے دیگر وہ خصوصی امور سے متعلق کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے تحت، مالی حقائق کا بیان نوٹس AGM بدو کے ہر اواف ہے۔

تکمیم ہیرڈ

لاہور:

03/اکتوبر 2025ء

نوٹ:

1۔ کمپنی کی حصص کی منتقلی تا 22 اکتوبر 2025 تا 28 اکتوبر 2025 (بشمول دونوں ایام) بند رہیں گی۔ میٹنگیاں ہمارے رجسٹرار آفس میمبرز کا اپیلنک (پرنسپل ایجنٹ) کی طرف، پتہ 1-K، کرشل، کاڈل ٹاؤن، لاہور میں 21 اکتوبر 2025 کو دوبارے اختتام تک وصول ہونے والی ہر وقت تصور ہوگی۔

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

3۔ سینٹرل ڈائریکٹری کمپنی (سی ڈی سی) کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اجلاس میں شرکت کرتے وقت شناختی مقصد کے لئے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ سی ڈی سی میں اکاؤنٹ/ذیلی اکاؤنٹ اور پارٹیشنڈ شناختی نمبر نمرا دلائیں۔ کارپوریٹ ادارے کی صورت میں، ہیورڈ کی قرارداد پر باور آف تارائی ہونے کے بخلاف کے ساتھ اجلاس کے وقت پیش کی جائے گی (بشرطیکہ یہ پیلٹڈ فریم دی گئی ہو)۔

4۔ جن ممبران نے ابھی تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی فوٹو کوئی کمپنی کے رجسٹرا کو جمع نہیں کرلی ہے ان سے درخواست کی جاتی ہے کہ وہ اسے جلد ادا کیں۔

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

6۔ کمپنی نے الیکٹرانک ذرائع (بشمول ویڈیولنک وچار، ریموٹنگ، وغیرہ) کے ذریعے عام اجلاس میں اراکین کی شرکت کا انتظام کیا ہے۔ اس سلسلے میں، دلچسپی رکھنے والے شیئر ہولڈر محتاط معلومات (بشمول شیئر ہولڈر کا نام، سی این ڈی کی نمبر، فوٹو، سی ڈی سی اکاؤنٹ نمبر، سیل نمبر، ای میل ایڈریس وغیرہ) ای سیل ایڈریس www.doststeels.com@afzal.shehzad پر AGM کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کنٹرری کو فراہم کر کے درخواست کر سکتے ہیں۔

7۔ بدیہ بدو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بلٹ) ریگولیشنز، 2018 اور اس کے تراستی 2022 (2192(1) SRO 2192 مورخہ 5 دسمبر 2022 کے تحت، اراکین کو AGM میں خصوصی امور کے لیے، مذکورہ بالا مواد میں مذکور شرائط کے مطابق ووٹ کا حق استعمال کرنے کی اجازت دی جائے گی۔ کمپنی اپنے اراکین کو دو گھنٹ کے لیے درج ذیل اختیارات فراہم کرے گی:

(a) ای دو گھنٹ کا طریقہ کار

(a) ای دو گھنٹ کی سہولت کی تفصیلات کمپنی کے ان ممبران کے ساتھ ای سیل کے ذریعے شیئر کی جائیں گی جن کے مؤثر CNIC نمبر، سیل نمبر، اور ای سیل ایڈریس ضرورہ وقت کے آخر کمپنی کے ممبران کے رجسٹر میں دستیاب ہیں۔

(b) ویب ایڈریس: انلگ ان کی تفصیلات، ای سیل کے ذریعے اراکین کو بتائی جائیں گی۔

(c) ای دو گھنٹ کے ذریعے، وٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت محدود آگ ان کے ذریعے تصدیق کی جائے گی۔

(d) ای دو گھنٹ لائینس 123 اکتوبر 2025 صبح 10:00 بجے سے شروع ہوں گی اور 127 اکتوبر 2025 کو شام 5 بجے بند ہوں گی۔ ممبران مدت میں کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔

(i) پوسٹل بلٹ

پوسٹل بلٹ کے ذریعے ووٹ دینے کے لیے ممبران کمپنیز (پوسٹل بلٹ) ریگولیشنز، 2018 کی دفعات کے مطابق اپنے ووٹ کا حق استعمال کر سکتے ہیں جو کمپنیز ایکٹ 2017 کے سیکشن 143 سے 145 کے تقاضوں سے مشروط ہے۔ اگر ضرورت پڑی تو اس سلسلے میں مزید تفصیلات ان ضابطوں کے تحت ملے شدہ فوٹی وقت کے آخر، شیئر ہولڈرز کو بتائی جائیں گی۔

ممبران اس بات کو یقینی بنائیں گے کہ CNIC کی کاپی کے ساتھ صحیح طریقے سے بُر شدہ اور دھندل شدہ بلٹ بھیہ صدر اجلاس تک AGM سے ایک دن پہلے یعنی 27 اکتوبر 2025 کو کام کے اوقات کے دوران کمپنی کے رجسٹریڈ آفس پڑاک کے ذریعے پہنچ جائیں۔ بلٹ بھیہ پرم دھندل CNIC کمپنی کے رویا کو پرم دھندل سے نمائش ہوں گے۔

8۔ اراکین سالانہ آؤٹ شدہ مالیاتی گوشواروں اور اجلاس عام کا نوٹس ای سیل کے ذریعے حاصل کرنے کا اختیار رکھتے ہیں۔ ممبران اس سلسلے میں اپنی رضامندی مقررہ فارمیٹ پر شیئرز رجسٹرار کو دے سکتے ہیں۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آؤٹ شدہ کاؤنٹس کمپنی کی ویب سائٹ: www.doststeels.com پر دستیاب ہیں۔

9۔ ایس ای سی بی کی طرف سے جاری کردہ چارٹیر بروے 2025 (S.R.O. 452(I) مورخہ 17 مارچ 2025 کے مطابق، کمپنی تمام شیئر ہولڈرز کو مطلع کرتی ہے کہ اجلاس میں کوئی مخالف تقسیم نہیں کیے جائیں گے۔

10۔ پراسی متر نامہ منسلک ہے۔

خصوصی امور کے حوالے سے کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت، مالی حقائق کا بیان

نوٹس کے ہر ادوی گئی کا پی نوٹس میں بیان کردہ خصوصی قراردادوں کی منظوری کے لیے اراکین کا اجلاس ہانے کے مقصد کے لیے ہے۔ خصوصی قراردادوں سے متعلق مالی حقائق درج ذیل ہیں:

ایجنڈا آئتم 4: کمپنی کے چار حصص سرمایہ میں اضافہ

26 مارچ 2025 کو منعقد ہونے والے ان کے اجلاس میں ہورڈ آف ڈائریکٹرز کی سفارشات کے مطابق، کمپنی کا جائز سرمایہ -/4,450,000,000 روپے (چار بلین چار سو پچاس ملین پاکستانی روپے) (جو کہ ہر -/10 روپے کے 445,000,000 (چار سو پینتالیس ملین) عام حصص میں تقسیم شدہ سے مزید بڑھا کر -/13,060,000,000 روپے) (تیرہ بلین ساٹھ ملین پاکستانی روپے) (جو کہ ہر -/10 روپے کے 1,306,000,000 (ایک بلین تین سو چھ ہزار) عام حصص میں تقسیم شدہ کیا جائے اور کمپنی کے عبور درآمد آف ایسوی انشیں کی حق V اور آر ٹیکلز آف ایسوی انشیں کی حق S میں با ترتیب الفاظ اور اعداد و شمار بدیہ بدو متدہ مل گئے گئے ہیں۔

عبور درآمد آف ایسوی انشیں کی حق V

کمپنی کا جائز حصص کیچل -/13,060,000,000 روپے (تیرہ بلین ساٹھ ملین پاکستانی روپے) (جو کہ ہر -/10 روپے کے 1,306,000,000 (ایک بلین تین سو چھ ہزار) عام حصص میں تقسیم کیا گیا ہے۔ کمپنی کے پاس مذکورہ سرمایے کو بڑھانے، کم کرنے، نکال کرنے یا دوبارہ تقلم کرنے اور کمپنیز ایکٹ، 2017 کی دفعات کے مطابق سرمایے کے حصص کو کی طبقات میں تقسیم کرنے کا اختیار ہوگا۔

ایسوی انشیں کے آر ٹیکلز کی حق 5

-/13,060,000,000 روپے (تیرہ بلین ساٹھ ملین پاکستانی روپے) (جو کہ ہر -/10 روپے کے 1,306,000,000 (ایک بلین تین سو چھ ہزار) عام حصص میں تقسیم کیا گیا، کمپنی کے حصص کیچل کو بڑھانے، کم کرنے، نکال کرنے، ذیلی تقسیم یا دوسری صورت میں تقسیم ہونے کے اختیارات کے ساتھ 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, 2025 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, 2025. 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
03 October 2025

Naim Anwar
Chairman, Board of Directors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members Assalam-O-Alaikum

On behalf of my colleagues on the Board, I welcome you to the 22nd 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 2025.

The Company has successfully negotiated restructuring of its long term loans towards syndicate Banks and we are pleased to inform that the final agreement has been signed. Down payment of PKR 50 million as per agreement has been made.

The Company with a view to reflect the fair value of our fixed assets in line with prevailing valuation practices and to present a realistic balance sheet to shareholders carried out revaluation of its property, plant, and equipment, resulting in a revaluation surplus of PKR 5,836.935 million (net of deferred tax). This exercise was undertaken by Sadruddin Associates (Pvt.) Limited a recognized professional, independent, approved State Bank of Pakistan valuator. The auditors for reasons best known to them have as stated in their report reservations on the capability of the SBP approved valuator which is totally unfounded. The Board firmly believes that financial statements must present a true and fair view of the Company's assets and liabilities. In this context, it is our view that the earlier book values understated the inherent strength of the Company's balance sheet, and the revaluation was therefore essential to safeguard shareholders' rights to a transparent and fair reflection of value. The Board is confident that the valuation fairly represents the underlying strength of the Company's assets.

The revaluation surplus significantly enhances the net worth of the Company, reduces the accumulated losses, and positions the Company on stronger footing for its ongoing restructuring and revival strategy. This development, together with the restructuring agreement executed with the syndicate lenders, reflects management's commitment to restoring financial health and creating value for stakeholders.

The Board in their meeting held on May 27, 2025 in order to meet working capital requirement and backward integration by setting up a melting plant, decided to raise further issue of capital amounting to PKR 4,446,955,770 divided into 444,695,577 ordinary shares of PKR 10/- each to the issuance of additional 444,695,577 Ordinary Shares of the face value of PKR 10/- each right shares to be issued at par under the provisions of section 82 and 83 of the Companies Act, 2017 (the "Act"). The shares will be issued to the existing shareholders in proportion of their shareholding.

In lieu of the restructuring agreement executed by the Company under which Mohabat Khan one of the sponsors of the company will pay to the syndicate Banks the outstanding loan amount, the Board in their meeting held on May 27, 2025 decided to issue shares Otherwise than Right to Mohabat Khan in proportion to the amount paid by him to Banks towards settlement of outstanding loans of the Company.

Financial performance of the Company for the year ended June 30th, 2025, was as under:

Description	30 June 2025 (PKR)	30 June 2024 (PKR)
Sale	Nil	Nil
Cost of Sales	(38,608,041)	(52,468,778)
Gross (Loss) / Profit	(38,608,041)	(52,468,778)
Administrative and Selling expenses	(11,068,614)	(30,788,542)
Finance costs	(129,249,631)	(177,220,020)
Other operating income	481,777,658	18,241,417
Profit / (Loss) before taxation	243,462,411	(242,235,923)
Taxation	58,998,168	Nil
Profit / (Loss) after taxation	302,460,579	(242,235,923)

Business Review

The Earning for the year was Rupees 0.68 per share as compared to Rupees (0.65) per share during the corresponding period. Profit after tax for the year was Rupees 302.460 million as compared to Rupees (242.236) million in corresponding year.

Material Changes in commitments

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.

Revaluation of assets

Restructuring effect of Bank Loans

Future Prospects, Risks and Uncertainties:

Though challenges continue to face the steel industry, improvement in economic conditions will boost construction activities boosting demand for steel. 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,

The Company has successfully negotiated restructuring of its long term loans towards syndicate Banks and we are pleased to inform that the final agreement has been signed. Down payment of PKR 50 million as per agreement has been made. After this significant achievement the company is now taking steps towards starting operations.

Internal Financial Controls

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

Financial Statements

The financial statements of the company have been duly audited and signed by the auditors of the Company, Messrs. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and their report is attached with the financial statements. The auditors have expressed a Disclaimer opinion in their audit report for the financial year ended 30 June 2025. The reasons for disclaimer and reservations and our para wise comments on the disclaimer and reservations are as follows:

Sr. No.	Reservation / Qualification	Responses
	The Company, as stated in note 2, The Company incurred a net gain of Rs. 310.365 million (2024: net loss of Rs. 242.236 million) which is primarily due to restructuring of long term borrowings and markup accrued on secured borrowings. However, its accumulated losses are Rs. 1,694.718 million (2024: Rs. 2,005.083 million). The current liabilities of the Company exceeds its current assets by Rs. 670.429 million (2024: Rs. 1,495.073 million) and liquid assets by Rs. 697.275 million (2024: Rs. 1,521.919 million). The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of previous loan agreement with banks and to pay creditors on due date. The Company was in default under its previous syndicated contractual obligation with bankers due to which during the year Company restructured its syndicated loan with previous bankers, as detailed in note 18. The Company has also stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. Management of the Company has also not shared any future plans to revive its business. Even though the Company entered into a restructuring agreement with its lenders before the reporting date which has resulted in certain modifications of loan terms, this measure does not address the fundamental significant operational and financial challenges which the Company is facing for its revival. These conditions indicate the existence of significant material uncertainties which	The Company has successfully settled whereby the Banks have restructured the company's loans by the syndicate banks after which the company make plans to start commercial production. The management is hopeful that this will mitigate all these factors.

	may cast significant doubt on ability of the Company to continue as a going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the Company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate;	
	The syndicate long term finance (LTF) of Rs. 772.766 million, markup accrued on secured borrowings thereon of Rs. 814.01, accrued markup of LTF of Rs. 17.312 million and markup charged during the year of Rs. 129.208 million as disclosed in note 19, 20, 23 and 28 respectively, remained unconfirmed by the banks. Therefore, in the absence of sufficient appropriate audit evidence, the accuracy of the figures could not be ascertained;	The auditors have been provided signed and stamped restructuring agreement with Banks and Company however the auditors insist that balance confirmation should also be given by banks which were sent to banks but not received by auditors.
	Balance confirmation requests have remained unresponded to in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 7.340 million, Rs. 0.119 million, Rs. 40.551 million, Rs. 17.922 million and Rs. 0.639 million respectively. We were unable to satisfy ourselves by alternative means;	Balance confirmations were sent to creditors however no response received from most of the creditors.
	The Company revalued its property, plant and equipment during the year ended 30 June 2025, recognizing a revaluation surplus of Rs. 5,836.935 million (net of deferred tax). Given that the Company has ceased production operations since 2019 and in view of the significance of the revaluation to the financial statements, we considered it necessary to obtain independent verification of the valuation by engaging an auditor's expert to assess the recoverable amount of these assets. However,	The Company with a view to reflect the fair value of our fixed assets in line with prevailing valuation practices and to present a realistic balance sheet to shareholders carried out revaluation of its property, plant, and equipment, resulting in a revaluation surplus of PKR 5,836.935 million (net of deferred tax). This exercise was undertaken by Sadruddin Associates (Pvt.) Limited a recognized professional, independent, approved State Bank of Pakistan valuator. The auditors for reasons best known to them have as stated in their report reservations on the capability of the SBP approved valuator which is totally

	management due to certain constraints did not permit us to involve an auditor's expert for this purpose. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the reasonableness of the revaluation surplus and its related effects on the financial statements. Accordingly, we could not determine whether any adjustments might have been necessary in respect of the carrying amounts of property, plant and equipment, the revaluation surplus, and the related elements of equity, comprehensive income, and deferred tax.	unfounded. The Board is confident that the valuation fairly represents the underlying strength of the Company's assets.
	The stores and spares balances have remained static over the years, indicating potential obsolescence. In accordance with IAS 2, inventories are required to be measured at the lower of cost and net realizable value. However, the Company has not carried out any assessment to ensure that stores and spares reflect their recoverable amount as on 30 June 2025. Accordingly, the impact of the same on assets and the statement of profit or loss of the Company is not determined;	The company will carry out valuation of the store and spares after starting production when technical staff will be hired.
	We did not receive confirmation from 3 legal advisors and consultants of the Company. In the absence of all confirmations from legal advisors and consultants and list of pending litigations, completeness of contingencies as disclosed in note 25 cannot be commented upon;	The company provided confirmation to the legal advisor but they did not provide a response to the auditors during the audit.
	The Company did not appropriately comply with the requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution. These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/ surcharge due to noncompliance of related provisions of the relevant laws has also	Due to non-operational of core business activities most of the expenses are below or not subject to withholding tax limits. However complete provision has been recorded in the books regarding Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution as per related laws, as soon as company is able to financially pay these liabilities they will be paid off.

	not been quantified and disclosed in these financial statements.;	
	The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 20 to the financial statements consequently the impact of the noncompliance of IAS 19 on the financial statements has not been quantified;	Due to the non-operation of Core Business Activities and layoff of employees on major position including Human resource department, the management has been unable to organize the determination for Employee Benefits under ordinance 1968. However appropriate provision against retirement benefits has been provided in the financial statements. Furthermore management has planned to follow IAS -19 as per previous practice in the coming year, once the core business operation will resume

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 2025 and shall retire on the conclusion of the 22nd Annual General Meeting. The Audit Committee recommends appointment of M/s Mushtaq & Co to be company's auditors for the financial year ending 30 June 2026 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 2025 and future outlook. The directors endorse the contents of the review.

Pattern of Shareholding

The pattern of shareholding as on 30 June 2025 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

Suhail Elahi
Chief Executive Officer
Lahore: 03 October 2025

Naim Anwar
Director

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

محترم اراکین، السلام علیکم،

میں، اپنے بورڈ کے ساتھیوں کی جانب سے، آپ کو آپ کی کمپنی کے 22 ویں سالانہ عمومی اجلاس (Annual General Meeting) میں خوش آمدید کہتا ہوں اور آپ کی خدمت میں سالانہ رپورٹ بمعہ آڈیٹ شدہ مالی بیانات برائے سال ختم شدہ 30 جون 2025 پیش کرتا ہوں۔

کمپنی نے اپنے طویل المدتی قرضوں کی تنظیم نو (Restructuring) کے لیے بینکوں کے کنسورشیم (Syndicate Banks) کے ساتھ کامیابی سے مذاکرات کیے، اور ہمیں یہ اطلاع دیتے ہوئے خوشی محسوس ہو رہی ہے کہ حتمی معاہدے پر دستخط ہو چکے ہیں۔ معاہدے کے مطابق کمپنی نے ابتدائی طور پر 50 ملین روپے کی ادائیگی کر دی ہے۔

کمپنی نے اپنے اثاثہ جات کی منصفانہ قدر کو موجودہ ویلیوایشن طریقہ کار کے مطابق ظاہر کرنے اور حصص یافتگان کے سامنے حقیقت پر مبنی بیلنس شیٹ پیش کرنے کے لیے اپنی جائیداد، پلانٹ اور مشینری کی ازسرنو قیمت (Revaluation) کا تعین کروایا۔ اس عمل کے نتیجے میں مؤخر شدہ ٹیکس کے بعد 5,836.935 ملین روپے کا ریویلیوایشن سرپلس حاصل ہوا۔ یہ ویلیوایشن سدرالدین ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، جو کہ اسٹیٹ بینک آف پاکستان کے منظور شدہ، آزاد اور پیشہ ور ویلیوایٹر ہیں، کے ذریعے کی گئی۔

آڈیٹرز نے اپنی رپورٹ میں اس ویلیوایٹر کی قابلیت پر تحفظات کا اظہار کیا ہے، جو بورڈ کے خیال میں بالکل بے بنیاد ہیں۔ بورڈ کا پختہ یقین ہے کہ مالی بیانات کمپنی کے اثاثوں اور ذمہ داریوں کی درست اور منصفانہ عکاسی کرنے چاہئیں۔ اس حوالے سے بورڈ کی رائے ہے کہ پچھلی کتابی قدریں کمپنی کی مالی طاقت کی صحیح نمائندگی نہیں کر رہی تھیں، اس لیے اثاثوں کی ازسرنو قیمت کا تعین ضروری تھا تاکہ حصص یافتگان کو ایک شفاف اور منصفانہ مالی تصویر فراہم کی جا سکے۔ بورڈ کو یقین ہے کہ موجودہ ویلیوایشن کمپنی کے اثاثوں کی اندرونی طاقت کو درست طور پر ظاہر کرتی ہے۔

ریویلیوایشن سرپلس سے کمپنی کی خالص مالیت (Net Worth) میں نمایاں اضافہ ہوا ہے، جمع شدہ نقصانات (Accumulated Losses) میں کمی آئی ہے، اور کمپنی کو اپنی تنظیم نو اور بحالی کی حکمت عملی کے لیے مضبوط بنیاد فراہم ہوئی ہے۔ یہ پیش رفت اور کنسورشیم قرض دہندگان کے ساتھ کیے گئے معاہدے انتظامیہ کے مالی صحت کی بحالی اور اسٹیک ہولڈرز کے لیے قدر پیدا کرنے کے عزم کی غمازی کرتے ہیں۔

بورڈ نے اپنے اجلاس مورخہ 27 مئی 2025 کو ورکنگ کیپیٹل کی ضروریات پوری کرنے اور ایک میلٹنگ پلانٹ (Melting Plant) قائم کرنے کے ذریعے بیک ورڈ انٹیگریشن حاصل کرنے کے لیے مزید سرمایہ جاری کرنے کا فیصلہ کیا۔ اس کے تحت 4,446,955,770 روپے مالیت کے اضافی 444,695,577 عام حصص (Ordinary Shares) فی حصص قیمت 10 روپے پر جاری کیے جائیں گے۔ یہ حصص کمپنیز ایکٹ 2017 کی دفعات 82 اور 83 کے تحت "رائٹ شیئرز" کی صورت میں موجودہ حصص یافتگان کو ان کی موجودہ ملکیت کے تناسب سے جاری کیے جائیں گے۔

ری اسٹرکچرنگ معاہدے کے تحت کمپنی کے ایک اسپانسر، جناب محبت خان، نے کمپنی کے واجب الادا قرضوں کی ادائیگی بینکوں کو کی ہے۔ اس کے بدلے میں بورڈ نے 27 مئی 2025 کو ہونے والے اجلاس میں فیصلہ کیا کہ محبت خان کو ان کی طرف سے بینکوں کو ادا کی گئی رقم کے تناسب سے "Otherwise than Right" کے تحت حصص جاری کیے جائیں گے۔

کمپنی کی مالی کارکردگی برائے سال ختم شدہ 30 جون 2025 ذیل میں پیش کی گئی ہے

رقم (روپے میں) - 30 جون 2024	رقم (روپے میں) - 30 جون 2025	تفصیل
-	-	فروخت
-52,468,778	-38,608,041	فروخت کی لاگت
-52,468,778	-38,608,041	مجموعی (نقصان) / منافع
-30,788,542	-11,068,614	انتظامی و فروختی اخراجات
-177,220,020	-129,249,631	مالی اخراجات
18,241,417	481,777,658	دیگر عملی آمدن
-242,235,923	243,462,411	ٹیکس سے قبل (نقصان) / منافع
-	58,998,168	ٹیکس
-242,235,923	302,460,579	ٹیکس کے بعد (نقصان) / منافع

کاروباری جائزہ

سال کے دوران فی حصص آمدنی روپے 0.68 رہی جو کہ گزشتہ مدت کے فی حصص روپے (0.65) کے مقابلے میں بہتر ہے۔ سال کے دوران ٹیکس کے بعد منافع روپے 302.460 ملین رہا جو کہ گزشتہ سال کے روپے (242.236) ملین کے مقابلے میں نمایاں بہتری ظاہر کرتا ہے۔

خطرات کا انتظام

کمپنی نے خطرات کے انتظام کے لیے ایک مؤثر ڈھانچہ تشکیل دیا ہے تاکہ خطرات کو بروقت جانچ کر ان کے اثرات کو کم کیا جا سکے اور پائیدار ترقی کو یقینی بنایا جا سکے۔ کاروبار سے متعلق خطرات سے نمٹنے کے لیے، خطرات کے انتظام کی پالیسی کے تحت ہر شعبہ کو مخصوص کردار سونپا گیا ہے جو مناسب اقدامات کرنے اور آزادانہ طور پر اپنے خطرات کے انتظام کی سرگرمیاں فروغ دینے کا ذمہ دار ہے۔

اعدوں میں مادی تبدیلیاں

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی مادی تبدیلیاں اور وعدے رونما ہوئے ہیں۔

اندرونی مالیاتی کنٹرولز

کمپنی کے تمام سطحوں پر ایک مؤثر اندرونی کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ یہ اندرونی کنٹرول کا نظام اس طرح سے تیار کیا گیا ہے کہ وہ کمپنی کے مقاصد کے حصول، آپریشنز کی مؤثریت اور کارکردگی، مالیاتی رپورٹنگ کی درستگی اور قوانین، ضوابط اور پالیسیوں کی تعمیل کو یقینی بنائے۔

مالیاتی بیانات

کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹرز، مسٹرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے باضابطہ طور پر آڈٹ کیا اور دستخط کیے ہیں، اور ان کی رپورٹ مالیاتی بیانات کے ساتھ منسلک ہے۔ آڈیٹرز نے 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے اپنے آڈٹ میں ڈس کلیمر (Disclaimer) کی رائے دی ہے۔ ڈس کلیمر اور تحفظات کی وجوہات، نیز ان پر ہمارے شق وار تبصرے درج ذیل ہیں:

نمبر شمار	تحفظات / اہلیت	جوابات
	کمپنی، جیسا کہ نوٹ 2 میں بیان کیا گیا ہے، نے 310.365 ملین روپے (2024: 242.236 ملین روپے) کا خالص نقصان) کا خالص منافع کمایا جو بنیادی طور پر طویل مدتی قرضوں کی تنظیم نو اور سیکیورڈ قرضوں پر جمع شدہ مارک اپ کی وجہ سے ہے۔ تاہم، اس کے جمع شدہ نقصانات 1,694.718 ملین روپے (2024: 2,005.083 ملین روپے) ہیں۔ کمپنی کی موجودہ ذمہ داریاں اس کے موجودہ اثاثوں سے 670.429 ملین روپے (2024: 1,495.073 ملین روپے) اور اس کے مائع اثاثوں سے 697.275 ملین روپے (2024: 1,521.919 ملین روپے) زیادہ ہیں۔ کمپنی کو طویل مدتی واجبات، غیر موافق مالیاتی تناسب، بینکوں کے ساتھ سابقہ قرضہ معاہدوں کی شرائط پر عملدرآمد میں مشکلات، اور قرض دہندگان کو وقت پر ادائیگی میں دشواریوں کا سامنا ہے۔ کمپنی اپنے پچھلے مشترکہ قرضہ معاہدے کی خلاف ورزی میں تھی جس کے نتیجے میں کمپنی نے سال کے دوران اپنے بینکوں کے ساتھ قرضوں کی تنظیم نو کی جیسا کہ نوٹ 18 میں بیان کیا گیا ہے۔ کمپنی نے 2019 سے تجارتی پیداوار روک دی ہے اور ورکنگ کیپیٹل کی کمی کے باعث کلیدی انتظامیہ بھی کھو دی ہے جس کا کوئی متبادل نہیں کیا گیا۔	
	کمپنی کی انتظامیہ نے اپنے کاروبار کو بحال کرنے کے لیے کوئی مستقبل کا منصوبہ فراہم نہیں کیا۔ اگرچہ کمپنی نے رپورٹنگ کی تاریخ سے قبل اپنے قرض دہندگان کے ساتھ ایک تنظیم نو کا معاہدہ کیا ہے جس کے نتیجے میں قرض کی شرائط میں کچھ تبدیلیاں ہوئی ہیں، تاہم یہ اقدام کمپنی کے بنیادی عملی اور مالیاتی مسائل کو حل نہیں کرتا۔ یہ حالات کمپنی کی بحیثیت ایک جاری کاروبار کے طور پر تسلسل پر سنگین شکوک پیدا کرتے ہیں۔ تاہم، ان مالیاتی بیانات میں ایسے کسی ایڈجسٹمنٹ کو شامل نہیں کیا گیا جو اثاثوں کی بازیابی یا ذمہ داریوں کی درجہ بندی میں تبدیلیوں کی ضرورت کو ظاہر کرے۔ ان حالات میں "going concern" مفروضے کا استعمال مناسب نہیں۔	کمپنی نے بینکوں کے ساتھ اپنے قرضوں کی تنظیم نو کامیابی سے مکمل کر لی ہے جس کے بعد کمپنی تجارتی پیداوار شروع کرنے کے منصوبے بنا رہی ہے۔ انتظامیہ پُر امید ہے کہ یہ اقدامات تمام مسائل کو کم کر دیں گے۔

آڈیٹرز کو بینکوں اور کمپنی کے دستخط شدہ اور مہر شدہ تنظیم نو کے معاہدے فراہم کیے گئے تاہم آڈیٹرز اصرار کرتے ہیں کہ بینکوں کی جانب سے بیلنس کنفرمیشن بھی دی جائے۔ بیلنس کنفرمیشن بینکوں کو بھیجی گئی تھی لیکن آڈیٹرز کو موصول نہیں ہوئی۔	مشترکہ طویل مدتی فنانس (772.766 LTF) ملین روپے، سیکیورڈ قرضوں پر جمع شدہ مارک اپ 814.01 ملین روپے، LTF پر جمع شدہ مارک اپ 17.312 ملین روپے، اور سال کے دوران چارج شدہ مارک اپ 129.208 ملین روپے (جیسا کہ نوٹ 19، 20، 23 اور 28 میں ظاہر کیا گیا ہے)، بینکوں کی جانب سے تصدیق شدہ نہیں ہیں۔ لہذا مناسب آڈٹ شواہد کی عدم موجودگی میں ان اعداد و شمار کی درستگی کی تصدیق نہیں ہو سکی۔	
قرض دہندگان کو بیلنس کنفرمیشن بھیجی گئی تاہم زیادہ تر قرض دہندگان کی طرف سے کوئی جواب موصول نہیں ہوا۔	بیلنس کنفرمیشن کی درخواستوں کا جواب 'تجارتی قرض دہندگان'، 'کنٹریکٹ لائبریری'، 'طویل مدتی سیکیورٹی ڈپازٹس'، 'تجارتی قرض داروں' اور 'سپلائز / سروسز کے لیے ایڈوانسز' کے حوالے سے موصول نہیں ہوا جن کی مجموعی رقم بالترتیب 7.340 ملین، 0.119 ملین، 40.551 ملین، 17.922 ملین اور 0.639 ملین روپے ہے۔ متبادل ذرائع سے تصدیق ممکن نہیں ہو سکی۔	
کمپنی نے اپنے اثاثوں کی منصفانہ مالیت کو ظاہر کرنے اور شیئر ہولڈرز کے سامنے درست بیلنس شیٹ پیش کرنے کے لیے ریویلیوایشن کرایا جس کے نتیجے میں 5,836.935 ملین روپے (موخر ٹیکس کے بعد) کا سرپلس ظاہر ہوا۔ یہ کام Sadruddin Associates (Pvt) Limited، جو کہ اسٹیٹ بینک آف پاکستان کے منظور شدہ آزاد ویلیو ایٹر ہیں، نے انجام دیا۔ آڈیٹرز کے خدشات بے بنیاد ہیں اور بورڈ پر اعتماد ہے کہ ویلیوایشن کمپنی کے اثاثوں کی حقیقی قوت کو ظاہر کرتی ہے۔	کمپنی نے 30 جون 2025 کو اختتام پذیر سال کے دوران اپنے پراپرٹی، پلانٹ اور مشینری کی دوبارہ مالیت مقرر کی جس کے نتیجے میں 5,836.935 ملین روپے (موخر ٹیکس کے بعد) کا ریویلیوایشن سرپلس تسلیم کیا گیا۔ چونکہ کمپنی نے 2019 سے پیداوار بند کر رکھی ہے اور ریویلیوایشن کی اہمیت کے پیش نظر آڈیٹرز نے آزاد ماہر کے ذریعے تصدیق حاصل کرنے کی ضرورت محسوس کی، لیکن انتظامیہ نے اجازت نہیں دی۔ اس لیے آڈیٹرز مناسب شواہد حاصل کرنے سے قاصر رہے۔	
کمپنی پیداوار شروع ہونے کے بعد تکنیکی عملے کی بھرتی کے ساتھ اسٹورز اور اسپیرٹز کی مالیت کا تخمینہ لگائے گی۔	اسٹورز اور اسپیرٹز ہارڈس کے بیلنس کئی سالوں سے تبدیل نہیں ہوئے، جس سے ممکنہ پرانی اشیاء کی نشاندہی ہوتی ہے۔ IAS 2 کے مطابق، انوینٹریز کو لاگت یا قابل وصولی مالیت میں سے کم پر مایا جانا چاہیے، لیکن کمپنی نے ایسا کوئی جائزہ نہیں لیا۔	
کمپنی نے اپنے قانونی مشیروں سے تصدیق حاصل کرنے کی کوشش کی، لیکن آڈیٹرز کو کوئی جواب موصول نہیں ہوا۔	ہمیں کمپنی کے 3 قانونی مشیروں اور کنسلٹنٹس کی جانب سے کوئی تصدیق موصول نہیں ہوئی، جس کی وجہ سے زیر التواء مقدمات کی مکمل فہرست کی تصدیق ممکن نہیں۔	
چونکہ کمپنی کی بنیادی کاروباری سرگرمیاں غیر فعال ہیں، زیادہ تر اخراجات ودہولڈنگ ٹیکس کی حد سے نیچے ہیں۔ تاہم پنجاب سوشل سیکیورٹی اور EOBI سے متعلق مکمل واجبات ریکارڈ کیے گئے ہیں اور مالی حیثیت بہتر ہوتے ہی ادا کیے جائیں گے۔	کمپنی نے ودہولڈنگ ٹیکس، پنجاب سوشل سیکیورٹی انسٹی ٹیوشن اور ایمپلائز اولڈ ایج بینیفٹ انسٹی ٹیوشن کے حوالے سے مطلوبہ کٹوتی اور جمع کرائے کے تقاضوں پر مکمل عمل نہیں کیا۔ متعلقہ واجبات مالیاتی بیانات میں علیحدہ ظاہر نہیں کیے گئے۔	

کمپنی نے ملازمین کے فوائد کے لیے IAS-19 کی شرائط کے مطابق گریجویٹی کے واجبات کا تعین نہیں کیا۔	بنیادی کاروبار کی غیر فعالیت اور عملے کے خاتمے کی وجہ سے کمپنی IAS-19 کے تحت واجبات کا حساب نہ لگا سکی، تاہم ریٹائرمنٹ بینیفٹس کے لیے مناسب پروویژن کی گئی ہے۔ کاروبار دوبارہ شروع ہونے ہی IAS-19 کے مطابق حساب دوبارہ کیا جائے گا۔
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کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان منسلک ہے۔

ڈائریکٹرز کا بورڈ

ڈائریکٹرز کا بورڈ نو اراکین پر مشتمل ہے، جن میں مختلف اقسام کے ڈائریکٹرز کی قانونی نمائندگی شامل ہے، جیسے کہ ایک آزاد ڈائریکٹر، غیر ایگزیکٹو ڈائریکٹرز اور ایگزیکٹو ڈائریکٹرز، جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت لازمی ہے۔ بورڈ کمپنی کے اہم انتظامی معاملات سے متعلق اسٹریٹجک فیصلے کرنے کا ذمہ دار ہے، جن میں کاروباری سرگرمیوں کی انجام دہی اور وہ دیگر معاملات شامل ہیں جو قانون کے تحت طے شدہ ہیں۔ یہ فیصلے طے شدہ معیار کے مطابق غور و خوض کے بعد کیے جاتے ہیں، جن میں خطرات کا جائزہ اور زمینی حقائق کو مدِ نظر رکھا جاتا ہے۔ بورڈ اخلاقی ضابطوں کی نگرانی اور عمل درآمد کا بھی ذمہ دار ہے۔

آڈیٹرز

کمپنی کے قانونی آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، نے مالی سال ختم ہونے 30 جون 2025 کے لیے کمپنی کے مالی بیانات اور کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کے بیان کا آڈٹ مکمل کر لیا ہے، اور وہ 22 ویں سالانہ عام اجلاس کے اختتام پر سبکدوش ہو جائیں گے۔ آڈٹ کمیٹی سفارش کرتی ہے کہ مالی سال ختم ہونے 30 جون 2026 کے لیے کمپنی کے آڈیٹرز کے طور پر میسرز مشتاق اینڈ کمپنی کو چیف ایگزیکٹو آفیسر کی جانب سے طے شدہ شرائط و معاوضے پر مقرر کیا جائے۔

چیئرمین کا جائزہ

ساتھ منسلک چیئرمین کا جائزہ سال ختم ہونے 30 جون 2025 کے لیے کمپنی کی کارکردگی اور مستقبل کے امکانات پر مشتمل ہے۔ ڈائریکٹرز اس جائزے کے مندرجات کی توثیق کرتے ہیں۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2025 تک شیئر ہولڈنگ کا پیٹرن علیحدہ طور پر منسلک ہے۔

تشکر

ڈائریکٹرز کا بورڈ ایک بار پھر اپنے شیئر ہولڈرز، پروجیکٹ پارٹنرز، بینکرز، سپلائرز اور ملازمین کا شکریہ ادا کرتا ہے جو کمپنی کو اپنے تجارتی آپریشنز کو مضبوط اور شروع کرنے کی کوششوں میں مدد فراہم کر رہے ہیں۔

ڈائریکٹرز کے بورڈ کی جانب سے

نعیم انور
ڈائریکٹر

سہیل الہی
چیف ایگزیکٹو آفیسر

لاہور: 03 اکتوبر 2025

DOST STEELS LIMITED

CODE OF CONDUCT

PREAMBLE

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

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

POLICY STATEMENT

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

RESPONSIBILITIES TO THE SHAREHOLDERS OF THE COMPANY

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

THE DIRECTOR' RESPONSIBILITIES TO EMPLOYEES

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

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

RESPONSIBILITIES OF EMPLOYEES TO THE COMPANY

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

SUMMARY

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

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

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



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Dost Steels Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Dost Steels Limited** for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.

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

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

2	19	The Company have not posted on their website the key elements of its significant policies, brief synopsis of TORs of the Board's committees and key elements of directors' remuneration policy.
3	19	Three out of Ten directors, do not have the required Directors' Training Program (DTP) certification.
4	19	The Company appointed the same person as Chief Financial Officer and Company Secretary.
5	19	The head of internal auditor, Company Secretary and Chief Financial Officer (CFO) do not possess requisite qualification according to the Regulations.
6	19	Non-Executive director is acting as Chairman of Human Resource and Remuneration Committee.

2

Rahman Sarfaraz Rahim Iqbal Rafiq,

Chartered Accountants

Engagement partner: Adnan Rasheed

Lahore

UDIN: CR2025107011567ZCGNs

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS) OF DOST STEELS LIMITED
FOR THE YEAR ENDED 30 JUNE 2025**

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

1. The total number of directors are Ten (10) as per the following:

- a. Male: 07
- b. Female: 03

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

Category	Name of Directors
Independent Directors	Mrs. Saba Azam Mr. Shafiq Ahmad Soomro
Non-Executive Directors	Mr. Naim Anwar (Chairman) Mr. Muhammad Azhar Chughtai Mr. Zahid Iftikhar Mr. Mian Abuzar Shad Mr. Asim Jilani (Nominee of Faysal Bank Limited) Mrs. Naushaba Shahzad (Nominee of National Bank of Pakistan)
Executive Director	Mr. Suhail Elahi, Chief Executive Officer (CEO)
Female Director	Mrs. Nargis Abuzar Shad

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it through the Company along with its supporting policies and procedures;
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their dates of approval or updating a maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recordings and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations;
9. Presently, one director has completed the required Directors' Training Program (DTP) and one director is exempt from DTP on the basis of qualification and experience. Five newly appointed directors are required to complete the DTP within one year from the date of their appointment to the Board. The Board could not arrange DTP during the year for the remaining three directors;

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10. The Board has approved the appointment of the head of internal audit, Chief Financial Officer (CFO) and company secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. During the year, new appointments of CFO and company secretary were made. Further, Chief Financial Officer (CFO) and the head of internal audit does not meet the qualification criteria given in regulation 22 and 23;

11. The CFO and CEO duly endorsed the financial statements before approval of the Board;

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

Audit Committee

Mr. Shafiq Ahmed Soomro (Chairman)
Mr. Muhammad Azhar Chughtai (Member)
Ms. Saba Azam (Member)

HR and Remuneration Committee

Mr. Mian Abuzar Shad (Chairman)
Mr. Naim Anwar (Member)
Mr. Suhail Elahi (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the aforesaid committees were as per following:

- | | |
|--|--|
| a) Audit Committee: | (4 meetings held during the year) |
| b) HR and Remuneration committee: | (1 meeting held during the year) |

15. The Board has set up an effective internal audit function, led by head of internal audit who is not considered suitably qualified and experienced for the purpose, however is conversant with the policies and procedures of the Company;

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

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

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

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

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

Statement of Compliance para reference	Regulations Ref. no	Requirement	Explanation for Non-compliances
4	35	The Company may post on their website the key elements of its significant policies, brief synopsis of TORs of the Board's committees and key elements of director remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.
5	10 A	Role of the Board and its members to address Sustainability Risks and Opportunities.	In previous year, the Securities and Exchange Commission of Pakistan issued certain amendments of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated 12 June 2024 and added a new Regulation 10A. Currently, the Management is assessing these amendments and compliance thereof, as applicable, will be performed in due course.
9.	19	By 30 June 2022, all the directors on the Board should have acquired the prescribed certification under any DTP offered by the institutions, local or foreign that meet the criteria specified and approved by the Commission. Furthermore, newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board	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 overcomes its financial constraints.
10 & 15	22 & 23	The Board has set up an effective internal audit function led by head of internal audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.	In view of lack of the financial resources appropriate hiring could not be made, however steps are being taken to hire appropriately qualified head of internal audit, CFO and company secretary.

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		Further, a listed company shall have CFO and company secretary having requisite qualification and experience.	
10	24	The same person shall not simultaneously hold the office of CFO and Company Secretary of a listed Company.	Currently, the CFO is acting as a Company Secretary till the position of Company Secretary is filled. The Board intends to segregate the position as soon as it overcomes its financial constraints.
12	28(2)	The chairman of the HR committee shall be an independent director.	Currently, non-executive director is serving as the Chairman of the Committee. However, the Company intends to appoint an independent director as Chairman upon the reconstitution of the Board in the near future.
12	29(1)	Nomination Committee - The Board may constitute a separate Committee, designated as the nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has not formed the Nomination Committee as the responsibility of this Committee is being taken care of at the Board level currently. Therefore, a need for separate formation of this Committee does not exist.
12	30(1)	Risk Management Committee- The Board may constitute the risk management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not formed the Risk Management Committee as the responsibility of this Committee is being taken care of at the Board level currently. The Board intends to constitute Risk Management Committee when the Board is reconstituted.

For and behalf of the Board
Dost Steels Limited

Naim Anwar
Chairman



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Independent Auditors' Report

To the members of Dost Steels Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the annexed financial statements of **Dost Steels Limited (the Company)**, which comprise the statement of financial position as at **30 June 2025**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the **Basis for Disclaimer of Opinion** section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. The Company, as stated in note 2, The Company incurred a net gain of Rs. 302.461 million (2024: net loss of Rs. 242.236 million) which is primarily due to restructuring of long term borrowings and markup accrued on secured borrowings. However, its accumulated losses are Rs. 1,702.622 million (2024: Rs. 2,005.083 million). The current liabilities of the Company exceeds its current assets by Rs. 678.333 million (2024: Rs. 1,495.073 million) and liquid assets by Rs. 705.179 million (2024: Rs. 1,521.919 million). The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of previous loan agreement with banks and to pay creditors on due date. The Company was in default under its previous syndicated contractual obligation with bankers due to which during the year Company restructured its syndicated loan with previous bankers, as detailed in note 19. The Company has also stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. Management of the Company has also not shared any future plans to revive its business. Even though the Company entered into a restructuring agreement with its lenders before the reporting date which has resulted in certain modifications of loan terms, this measure does not address the fundamental significant operational and financial challenges which the Company is facing for its revival. These conditions indicate the existence of significant material uncertainties which may cast significant doubt on ability of the Company to continue as a going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the Company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate;
2. The syndicate long term finance (LTF) of Rs. 772.767 million, markup accrued on secured borrowings thereon of Rs. 814.01, accrued markup of LTF of Rs. 17.312 million and markup charged during the year of Rs. 129.208 million as disclosed in note 19, 20, 23 and 28 respectively, remained unconfirmed by the banks. Therefore, in the absence of sufficient appropriate audit evidence, the accuracy of the figures could not be ascertained;
3. Balance confirmation requests have remained unresponded to in respect of 'trade creditors', 'contract liabilities', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 7.340 million, Rs. 0.119 million, Rs. 40.551 million, Rs. 17.922 million and Rs. 0.639 million respectively. We were unable to satisfy ourselves by alternative means;

4. The Company revalued its property, plant and equipment during the year ended 30 June 2025, recognizing a revaluation surplus of Rs. 5,836.935 million (net of deferred tax). Given that the Company has ceased production operations since 2019 and in view of the significance of the revaluation to the financial statements, we considered it necessary to obtain independent verification of the valuation by engaging an auditors' expert to assess the recoverable amount of these assets. However, management due to certain constraints did not permit us to involve an auditors' expert for this purpose. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the reasonableness of the revaluation surplus and its related effects on the financial statements. Accordingly, we could not determine whether any adjustments might have been necessary in respect of the carrying amounts of property, plant and equipment, the revaluation surplus, and the related elements of equity, comprehensive income, and deferred tax.
5. The stores and spares balances have remained static over the years, indicating potential obsolescence. In accordance with IAS 2, inventories are required to be measured at the lower of cost and net realizable value. However, the Company has not carried out any assessment to ensure that stores and spares reflect their recoverable amount as on 30 June 2025. Accordingly, the impact of the same on assets and the statement of profit or loss of the Company is not determined;
6. We did not receive confirmation from 3 legal advisors and consultants of the Company. In the absence of all confirmations from legal advisors and consultants and list of pending litigations, completeness of contingencies as disclosed in note 25 cannot be commented upon;
7. The Company did not appropriately comply with the requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution. These dues have not been separately disclosed in the financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/ surcharge due to noncompliance of related provisions of the relevant laws has also not been quantified and disclosed in these financial statements;
8. The Company has not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 20 to the financial statements consequently the impact of the noncompliance of IAS 19 on the financial statements has not been quantified.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Based on our engagement, we further report that because of the matters described in the **Basis for Disclaimer of Opinion** section of our report, we are unable to form an opinion whether:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred, and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Lahore:

UDIN: AR202510701Tv19luPdA

DOST STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	NOTE	2025 Rupees	2024 Rupees
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,213,458,842	2,507,457,041
Intangible assets	7	1,000	1,000
Long term security deposits	8	40,551,445	40,521,445
Deferred tax asset	9	-	-
		10,254,011,287	2,547,979,486
CURRENT ASSETS			
Stores and spares		26,845,775	26,845,775
Stock in trade	10	-	-
Trade debtors	11	-	-
Advances	12	1,082,384	672,594
Taxes recoverable/ adjustable	13	11,694,502	16,770,258
Cash and bank balances	14	676,819	914,217
		40,299,480	45,202,844
TOTAL PROPERTY AND ASSETS		10,294,310,767	2,593,182,330
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	4,446,955,770	4,446,955,770
Discount on issue of shares	16	(2,130,224,462)	(2,130,224,462)
Capital reserve			
Surplus on revaluation of property, plant and equipment	17	5,836,934,991	-
Revenue reserve			
Accumulated loss		(1,702,622,162)	(2,005,082,741)
		6,451,044,137	311,648,567
NON-CURRENT LIABILITIES			
Advance for issuance of shares - unsecured	18	3,829,952	3,829,952
Long term borrowings - secured	19	619,057,488	96,366,221
Markup accrued on secured borrowings	20	652,096,910	614,940,264
Deferred liabilities	21	27,012,681	26,121,680
Deferred tax liability	9	1,822,636,693	-
		3,124,633,724	741,258,117
CURRENT LIABILITIES			
Trade and other payables - unsecured	22	35,362,358	46,907,433
Accrued markup	23	17,311,804	591,743,197
Short term borrowings - unsecured	24	298,852,040	204,176,534
Current and overdue portion of non - current liabilities	19-20	315,621,971	697,448,482
Provision for taxation		51,484,733	-
		718,632,906	1,540,275,646
CONTINGENCIES AND COMMITMENTS	25	-	-
TOTAL EQUITY AND LIABILITIES		10,294,310,767	2,593,182,330

The annexed notes 1 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 OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Rupees	2024 Rupees
Sales		-	-
Cost of sales	26	(38,608,041)	(52,468,778)
Gross loss		(38,608,041)	(52,468,778)
Administrative and selling expenses	27	(11,068,614)	(30,788,542)
Finance cost	28	(129,249,631)	(177,220,020)
Other income	29	481,777,658	18,241,417
Other expense	30	(7,904,228)	-
Profit/ (loss) before levies and taxation		294,947,144	(242,235,923)
Levies	31	(51,484,733)	-
Profit/ (loss) before income tax		243,462,411	(242,235,923)
Taxation - Income tax	32	58,998,168	-
Profit/ (loss) for the year		302,460,579	(242,235,923)
OTHER COMPREHENSIVE INCOME- NET OF INCOME TAX			
Items that will not be reclassified subsequently to the statement of profit or loss		-	-
Items that will be reclassified to the statement of profit or loss		-	-
Surplus on revaluation of property, plant and equipment		7,718,569,852	-
Related impact on deferred tax		(1,881,634,861)	-
Other comprehensive income for the year		5,836,934,991	-
Total comprehensive income/ (loss) for the year		6,139,395,570	(242,235,923)
Earnings/ (loss) per share - basic and diluted	33	0.68	(0.65)

The annexed notes 1 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 2025

Share capital	Discount on issue of shares	Capital reserve	Revenue reserve	Total
		Surplus on revaluation of property, plant and equipment	Accumulated loss	
----- Rupees -----				
3,157,338,600	(1,365,481,480)	-	(1,762,846,818)	29,010,302
1,289,617,170	-	-	-	1,289,617,170
-	(764,742,982)	-	-	(764,742,982)
1,289,617,170	(764,742,982)	-	-	524,874,188
-	-	-	(242,235,923)	(242,235,923)
-	-	-	-	-
-	-	-	(242,235,923)	(242,235,923)
4,446,955,770	(2,130,224,462)	-	(2,005,082,741)	311,648,567
-	-	-	302,460,579	302,460,579
-	-	5,836,934,991	-	5,836,934,991
-	-	5,836,934,991	302,460,579	6,139,395,570
4,446,955,770	(2,130,224,462)	5,836,934,991	(1,702,622,162)	6,451,044,137

The annexed notes 1 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 2025

	NOTE	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before levies and income tax		294,947,144	(242,235,923)
Adjustments for non-cash and other items:			
Depreciation		12,568,051	14,027,025
Finance cost		129,249,631	177,220,020
Provision for gratuity		891,000	820,664
Gain on derecognition of financial liability		(480,954,765)	-
Reversal of impairment allowance for expected credit loss (ECL)		-	(18,238,950)
Profit on bank deposit accounts		-	(2,467)
		(338,246,083)	173,826,292
Operating cash flows before working capital changes		(43,298,939)	(68,409,631)
(Increase)/ decrease in current assets:			
Advances		(409,790)	589,144
Taxes recoveable/ adjustable		5,075,756	(2,172,205)
Increase/ (decrease) in current liabilities:			
Trade and other payables		(6,208,221)	3,541,395
		(1,542,255)	1,958,334
Cash used in operations		(44,841,194)	(66,451,297)
Finance cost paid		(41,710)	(49,495)
Net cash flows used in operating activities		(44,882,904)	(66,500,792)
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term security deposits		(30,000)	-
Profit received on bank deposit accounts		-	2,467
Net cash flows (used in)/ generated from investing activities		(30,000)	2,467
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings-unsecured-net		94,675,506	(103,320,693)
Payment of borrowing		(50,000,000)	-
Issuance of ordinary shares other than right issue- net of advance for issuance of shares		-	170,604,121
Net cash flows generated from financing activities		44,675,506	67,283,428
Net (decrease)/ increase in cash and cash equivalents during the year		(237,398)	785,103
Cash and cash equivalents at the beginning of the year		914,217	129,114
Cash and cash equivalents at the end of the year	14	676,819	914,217

The annexed notes 1 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 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

<u>Description</u>	<u>Location</u>	<u>Address</u>
Registered office/ head office	Lahore	Office No. 6-F, 4th Floor, Al-Hafeez Tower, M.M Alam Road, Gulberg-III, Lahore.
Mill/ plant site	Phoolnagar	52 Km, Multan Road, Phoolnagar.

2 GOING CONCERN ASSUMPTION

The Company incurred a net gain of Rs. 302.461 million (2024: net loss of Rs. 242.236) which is primarily due to restructuring of long term borrowings and markup accrued on secured borrowings. However, its accumulated losses are Rs. 1,702.622 million (2024: Rs. 2,005.083 million). The current liabilities of the Company exceeds its current assets by Rs. 678.333 million (2024: Rs. 1,495.073 million) and liquid assets by Rs. 705.179 million (2024: Rs. 1,521.919 million). The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of previous loan agreement with banks and to pay creditors on due date. The Company was in default under its previous syndicated contractual obligation with bankers due to which during the year Company restructured its syndicated loan with previous bankers, as detailed in note 19. The Company has also stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the Company (note 25.1).

The Company has issued 128,961,717 shares to new investors during previous year at a discounted price of Rs 4.07 per share, as detailed in note 15 and 16, to provide the required working capital. Further, the Company is in process of negotiating with syndicate consortium to arrange for working capital required to resume commercial production. The Company is expected to earn net profits in coming years. Therefore the Company expects that adequate inflows will be generated in the future years which will wipe out these losses. Hence, the financial statements are prepared on the basis of going concern assumption.

3 BASIS OF PREPARATION

3.1 Accounting convention

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

3.2 Statement of compliance

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

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

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

3.3 Presentation

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

3.4 Reclassification and rearrangements

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



3.5 Use of estimates and judgments

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

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

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:

- Revaluation of property, plant and equipment

Revaluation of certain classes of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to current depreciated replacement values. The frequency of revaluations depends upon the changes in fair value of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three to five years.

- Income taxes

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

- Trade and other receivables

The Company regularly reviews its trade and other receivables in order to estimate the provision required against bad debts (refer note 5.5).

- Employee benefits

The Company, on the basis of actuarial valuation report, recognises actuarial gains and losses immediately in other comprehensive income; immediately recognises all past service cost in the statement of profit or loss and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/ asset (refer note 5.20).

4 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD AND FORTHCOMING REQUIREMENTS

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 4 to these financial statements.

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

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

- IFRS 7 - Amendments Regarding the Classification and Measurement of Financial Instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IFRS 9 - Amendments Regarding the Classification and Measurement of Financial Instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IAS 21 - The Effects of Changes in Foreign Exchange Rates - (initial application on Annual periods beginning on or after 1 January 2026).
- IFRS 17 - Insurance Contracts - (initial application on Annual periods beginning on or after 1 January 2026).
- Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cashflows) initial application on Annual periods beginning on or after 1 January 2026).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan as at 30 June 2025:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards.
- IFRIC 12 – Service Concession Arrangement.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.
- IFRS 18 – Presentation and Disclosure in Financial Statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.



5 MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for freehold land, buildings and plant and machinery. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less impairment loss, if any. Buildings and plant and machinery are stated at revalued amounts carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the buildings, and the net amount is restated to the revalued amount of the plant and machinery.

Depreciation on fixed assets is charged to the statement of profit or loss by applying reducing balance method except that of plant and machinery which is on number of units method. Rates of depreciation are specified in the note 6.

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

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

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

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

Capital work in progress

Capital work in progress is stated at cost less impairment loss, if any, and represents expenditure incurred during the construction and installation of property, plant and equipment. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

5.2 Intangibles

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

5.3 Stores and spares

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

5.4 Stock in trade

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

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

5.5 Trade debtors and other receivables

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

5.6 Cash and cash equivalents

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

5.7 Share capital, reserves and profit distribution

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

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

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

5.8 Long term loans

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



5.9 Trade and other payables

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

5.10 Contract liabilities

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

5.11 Taxation

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

5.11.1 Current tax

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

5.11.2 Deferred tax

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

5.11.3 Levies

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

5.12 Provisions

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

5.13 Revenue recognition

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

5.13.1 Sale of goods

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

5.13.2 Interest income

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

5.14 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of property, plant and equipment as at the date of revaluation, is credited to the "Surplus on revaluation of property, plant and equipment" presented and recognized in the statement of comprehensive income and accumulated in the statement of changes in equity as a capital reserve. Following amounts are transferred from "Surplus on revaluation of property, plant and equipment" to retained earnings/ (accumulated loss) through the statement of changes in equity to record realization of surplus:

- a) an amount equal to incremental depreciation for the year- net of tax, on surplus on revaluation of property, plant and equipment and
- b) an amount equal to carrying amount of surplus on revaluation of property, plant and equipment, on its disposal.



5.15 Financial instruments

Recognition and measurement

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

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

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

5.15.1 Financial assets

a) Financial asset at amortized cost

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

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

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

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

- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

c) Financial asset at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Recognition and measurement

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

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

5.15.2 Financial liabilities

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

Offsetting of financial assets and financial liabilities

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



5.15.3 Derecognition

Financial assets

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

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

Financial liabilities

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

5.15.4 Impairment

Financial assets

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

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

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

Non-financial assets

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

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

5.16 Impairment of other assets

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

5.17 Related party transactions

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

5.18 Foreign currency translation

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

5.19 Borrowing costs

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

5.20 Staff retirement benefit

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



Particulars	Freehold land				Building on freehold land				Plant and machinery				Furniture and fittings	Vehicles	Office equipments	Electric equipments	Computer equipments	Total
	Cost		Revaluation		Cost		Revaluation		Cost		Revaluation							
Year ended 30 June 2025																		
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	
Additions	-	1,230,173,780	-	-	712,322,417	-	-	5,776,073,655	-	-	-	-	-	-	-	-	7,718,569,852	
Accumulated depreciation	-	-	-	(125,015,719)	-	-	(4,481,784)	-	-	(3,421,924)	(775,913)	(1,400,114)	(8,221,999)	(4,878,527)	-	-	(148,195,980)	
Year ended 30 June 2024	157,876,220	1,230,173,780	-	107,530,883	712,322,417	-	2,226,268,945	5,776,073,655	-	387,375	61,587	528,188	2,042,775	193,017	-	-	10,213,458,842	
Cost	157,876,220	-	-	232,546,602	-	-	2,230,750,729	-	-	3,809,299	837,500	1,928,302	10,264,774	5,071,544	-	-	2,643,084,970	
Accumulated depreciation	-	-	-	(113,067,843)	-	-	(4,481,784)	-	-	(3,353,564)	(760,517)	(1,306,906)	(7,861,510)	(4,795,805)	-	-	(135,627,929)	
Year ended 30 June 2025	157,876,220	-	-	119,478,759	-	-	2,226,268,945	-	-	455,735	76,983	621,396	2,403,264	275,739	-	-	2,507,457,041	
Opening net book value	157,876,220	-	-	119,478,759	-	-	2,226,268,945	-	-	455,735	76,983	621,396	2,403,264	275,739	-	-	2,507,457,041	
Additions	-	1,230,173,780	-	-	712,322,417	-	-	5,776,073,655	-	-	-	-	-	-	-	-	7,718,569,852	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation charged	-	-	-	(11,947,876)	-	-	-	-	-	(68,360)	(15,396)	(93,208)	(360,489)	(82,722)	-	-	(12,568,051)	
Net book value as at 30 June 2025	157,876,220	1,230,173,780	-	107,530,883	712,322,417	-	2,226,268,945	5,776,073,655	-	387,375	61,587	528,188	2,042,775	193,017	-	-	10,213,458,842	
Year ended 30 June 2024																		
Opening net book value	157,876,220	-	-	132,754,177	-	-	2,226,268,945	-	-	536,159	96,227	731,054	2,827,370	393,914	-	-	2,521,484,066	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation charged	-	-	-	(13,275,418)	-	-	-	-	-	(80,424)	(19,244)	(109,658)	(424,106)	(118,175)	-	-	(14,027,025)	
Net book value as at 30 June 2024	157,876,220	-	-	119,478,759	-	-	2,226,268,945	-	-	455,735	76,983	621,396	2,403,264	275,739	-	-	2,507,457,041	

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

	Note	2025 Rupees	2024 Rupees
Cost of sales	26	12,325,949	13,775,250
Administrative and selling expenses	27	242,102	251,775
		<u>12,568,051</u>	<u>14,027,025</u>

6.2 The Company got its freehold land, buildings on freehold land and plant and machinery revalued, details of which are given in note 17. The forced sale value of revalued assets has been determined at Rs 8,168,196,720/-

6.3 The carrying values of each class of revalued property, plant and equipment that would have been recognised had the assets been carried under the cost model, and the carrying values of machinery revalued, details of which are given in note 17. The forced sale value of revalued assets has been determined at Rs 8,168,196,720-.

	2025 Rupees	2024 Rupees
Freehold land	157,876,220	157,876,220
Building on freehold land	107,530,893	119,478,759
Plant and machinery	2,226,268,945	2,226,268,945
	<u>2,491,676,048</u>	<u>2,503,623,924</u>

6.4 Freehold land includes land having area of 326 kana Taluka Thano Bula Khan, District Jamshoro, Sindh.

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



	Note	2025 Rupees	2024 Rupees
7 INTANGIBLE ASSETS			
Computer software			
Cost			
At the beginning of the year		1,111,350	1,111,350
Addition during the year		-	-
Balance as at 30 June		1,111,350	1,111,350
Accumulated amortization			
At the beginning of the year		(1,110,350)	(1,110,350)
Amortization charge for the year	27	-	-
Balance as at 30 June		(1,110,350)	(1,110,350)
Written down value as at 30 June		1,000	1,000
7.1 The Company amortizes intangible asset on a straight line basis over the period of useful life @ 30%.			
7.2 Intangible asset has been taken at notional value of Rs. 1,000 after amortising the asset over its estimated useful life as asset is still in use.			
8 LONG TERM SECURITY DEPOSITS			
Against utilities		40,251,445	40,251,445
Against rent		240,000	210,000
Others		60,000	60,000
		40,551,445	40,521,445
9 DEFERRED TAX LIABILITY/ (ASSET)			
Deferred tax liability/ (asset)	9.1	1,822,636,693	-
9.1 Taxable temporary differences:			
Property, plant and equipment		2,401,651,875	497,432,317
Deductible temporary differences:			
Impairment allowance for expected credit loss		(5,646,217)	(5,646,217)
Provision for advances - letter of credits		(1,053,251)	(1,053,251)
Provision for advances - suppliers		(185,300)	(185,300)
Provision for gratuity		(7,833,677)	(7,575,287)
Accumulated tax losses		(564,296,737)	(538,067,305)
		(579,015,182)	(552,527,360)
Deferred tax liability/ (asset)		1,822,636,693	(55,095,043)
Deferred tax asset not recognized in the statement of financial position		-	55,095,043
		1,822,636,693	-
10 STOCK IN TRADE			
Raw material		4,781,225	4,781,225
Less: Provision for obsolete raw material		(4,781,225)	(4,781,225)
		-	-
11 TRADE DEBTORS			
- Unsecured			
Trade debtors		19,469,715	19,469,715
Impairment allowance for ECL	11.1	(19,469,715)	(19,469,715)
		-	-
11.1 Impairment allowance for ECL			
Opening balance		19,469,715	37,708,665
Reversal during the year		-	(18,238,950)
Closing balance		19,469,715	19,469,715
12 ADVANCES			
- Unsecured and considered good by the management			
Advances:			
To employees - against expenses		434,190	24,400
For supplies/ services		638,965	638,965
Letters of credit	12.1	-	-
Margin against letters of credit		9,229	9,229
		1,082,384	672,594
12.1 Advances against letters of credit			
Provision against letters of credit		3,631,900	3,631,900
		(3,631,900)	(3,631,900)
		-	-
13 TAXES RECOVERABLE/ ADJUSTABLE			
Advance income tax		10,730,686	10,045,418
Input sales tax		963,816	6,724,840
		11,694,502	16,770,258
14 CASH AND BANK BALANCES			
Cash in hand		667,754	265,433
Cash at banks:			
- Current accounts			
Deposits with Islamic banks		72	609,390
Deposits with conventional banks		8,993	10,500
		9,065	619,890
- Saving accounts			
Saving accounts with Islamic banks	14.1 and 14.2	-	3,697
Saving accounts with conventional banks		-	25,197
		-	28,894
		676,819	914,217



14.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. Nil (2024: Rs. 3,697/-). Management of the Company as per arrangement can't withdraw amounts once deposited in this bank account.

14.2 These carry no profit during the year (2024: 15.00% to 21.00% per annum).

Note	2025 Rupees	2024 Rupees
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15 SHARE CAPITAL

30 June 2025	30 June 2024
-----------------	-----------------

Number of shares

Authorized share capital

445,000,000

445,000,000

Authorized share capital of Rs. 10 each

4,450,000,000

4,450,000,000

Issued, subscribed and paid-up capital

444,695,577

444,695,577

Ordinary share of Rs.10 each
each fully paid in cash

15.1

4,446,955,770

4,446,955,770

15.1 It includes 114,224,205 (2024: 114,266,205) ordinary shares of Rs.10 each amounting to Rs. 1,142,242,050 (2024: Rs. 1,142,662,050) held by related parties.

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

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

15.4 Reconciliation of issued, subscribed and paid-up capital is as follows:

Opening balance: 444,695,577 (2024: 315,733,860) ordinary shares of Rs. 10 each
Issuance of nil (2024: 128,961,717) ordinary shares of Rs.10 each by other than right issue

4,446,955,770

3,157,338,600

-

1,289,617,170

4,446,955,770

4,446,955,770

16 DISCOUNT ON ISSUE OF SHARES

Discount on issue of right shares

16.1

1,365,481,480

1,365,481,480

Discount on issue of shares other than right shares

16.2

764,742,982

764,742,982

2,130,224,462

2,130,224,462

16.1 The Company issued right shares with the approval of board of directors, SECP and PSX with face value of Rs. 2,482,693,600/- comprising of 248,269,360 ordinary shares of Rs. 10 each at a discount of Rs. 5.50 per share in the financial year ended 2017.

16.2 The Company issued ordinary shares other than right with the approval of the board of directors, SECP and PSX with face value of Rs. 1,289,617,170 comprising of 128,961,717 ordinary shares of Rs. 10 each at a discounted price of Rs. 4.07 per share in the financial year ended 2024.

17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

5,836,934,991

-

The reconciliation of this head of account is as follows:

Balance at the beginning of the year

-

-

Add: Revaluation surplus recognized during the year - net of deferred tax

5,836,934,991

-

5,836,934,991

-

The Company got its freehold land, building and plant and machinery revalued by an independent valuator Sadruddin Associates (Pvt.) Limited on 30 June 2025 who issued the report on the same date. These values were incorporated in the books of accounts with the due approval of the Board of Directors (the Board). The valuation of the said assets was made under fair value hierarchy level-3 on the basis of current prevailing economic and market conditions. The amount of appreciation in the value of assets as a result of revaluation calculated to Rs. 7,718,569,852/- which was added to the book value of the respective assets and the corresponding amount was credited to the surplus on revaluation of property, plant and equipment. This reserve is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

18 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED

From Crescent Star Insurance Limited

8,999

8,999

From directors

3,820,953

3,820,953

18.1

3,829,952

3,829,952

18.1 The Company had received an unconditional advance against issuance of shares from Crescent Star Insurance Limited (CSIL), associated company, and directors of the Company which are to be adjusted against further issue of shares by the Company whenever made. These amounts are unsecured and interest free.

19 LONG TERM BORROWINGS - SECURED

From banking companies and financial institutions - Conventional

Term finance - restructured facilities

Opening balance

793,814,703

793,814,703

Adjustments due to restructuring of term finance facilities

-Adjusted during the year

(793,814,703)

-

-Modification of term finance facilities

19.2

822,766,703

-

Finance cost accretion

8,430,921

-

Paid during the year

(50,000,000)

-

781,197,624

793,814,703

Less: Current portion

(153,709,215)

(195,617,022)

Overdue portion

19.2.1

-

(501,831,460)

Accrued portion of finance cost

23

(8,430,921)

-

(162,140,136)

(697,448,482)

619,057,488

96,366,221

19.1 Maturity analysis-contractual undiscounted cash flows:

30 June 2025		
Rupees		
Minimum Loan Payments	Less: Future Finance Cost	Present Value Of Minimum Loan Payments
248,357,844	(86,217,708)	162,140,136
745,073,532	(126,016,044)	619,057,488
993,431,376	(212,233,752)	781,197,624

Not later than one year

Later than one year but not later than five years



19.2 The Company has arranged new Restructured Term Finance Facilities (as on 28 May 2025) of long term borrowings Rs. 993,431,376/- (Present Value of which is Rs. 822,766,703/-) and markup accrued on secured borrowings Rs. 1,046,451,328/- (Present Value of which is Rs. 814,009,666/-) from National Bank of Pakistan, Askari Bank Limited, NIB Bank Limited (now MCB Bank Limited), Bank of Khyber, Pak Kuwait Investment Company (Private) Limited, Saudi Pak Industrial and Agricultural Investment Company Limited and Faysal Bank Limited (former Royal Bank of Scotland Limited) as a Syndicated loan, whereby Faysal Bank Limited is acting as the principal agent of the syndicate. Due to absence of cash flows and delayed commissioning of the project and subsequent closure of the production, the Company was unable to meet its repayment obligations towards the financiers as a result of which Company restructured its Term Finance Facilities. All the syndicate banks have given their in-principle

Terms of rescheduled and restructured agreement are as follows:

- a) As part of restructuring arrangement, the Sponsor has additionally assigned receivables from his other business project(s) directly to the Syndicate for further security.
 - b) The markup rate effective from the date of commissioning is 12% (Previously 3 Month KIBOR) payable quarterly in arrears.
 - c) The principal repayment is made in 1 upfront payment on 28 May 2025 and 16 quarterly installments commencing from 25 September 2025 till 25 June 2029 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.
- 19.2.1 Overdue portion of liability represents amount due from partial instalment of fourth quarter of year 2019 upto 30 June 2024 and full portion of Pak Kuwait Investment Company (Private) Limited as they have neither signed the previous restructuring agreement nor accepted the payment according to it.

	Note	2025 Rupees	2024 Rupees
20 MARKUP ACCRUED ON SECURED BORROWINGS			
From banking companies and financial institutions - Conventional			
Term finance - restructured facilities			
Opening balance - Long term borrowings		614,940,264	614,940,264
Opening balance - Short term borrowings			
-Accrued markup	23	591,743,197	-
-Unpaid markup		5,336,849	-
Markup accrued during the year		111,896,121	-
Adjustments due to restructuring of term finance facilities			
-Adjusted during the year		(1,323,916,431)	-
-Modification of term finance facilities	19.2	814,009,666	-
Finance cost accretion		8,880,883	-
		822,890,549	614,940,264
Less: Current portion		(161,912,756)	-
Accrued portion of finance cost	23	(8,880,883)	-
		(170,793,639)	-
		652,096,910	614,940,264

20.1 Maturity analysis-contractual undiscounted cash flows:

30 June 2025		
Rupees		
Minimum Loan Payments	Less: Future Finance Cost	Present Value Of Minimum Loan Payments
261,612,832	(90,819,193)	170,793,639
784,838,496	(132,741,586)	652,096,910
1,046,451,328	(223,560,779)	822,890,549

21 DEFERRED LIABILITIES

Staff gratuity

21.1 27,012,681 26,121,680

21.1 Staff gratuity

Movement in net defined benefit obligation recognized in statement of financial position:

Opening balance		26,121,681	25,301,017
Provision for the year	21.1.1	891,000	820,664
		27,012,681	26,121,681
Less: Payments made during the year		-	-
		27,012,681	26,121,681

21.1.1 The Company operates a unfunded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity scheme are undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2019, using the "Projected Unit Credit Method". However, since then, the amount is charged on the basis of last drawn salary of eligible employees with the Company as on 30 June.

Provision of gratuity for the year has been allocated as follows:

Cost of sales	26.1	841,000	455,788
Administrative and selling expenses	27.1	50,000	364,876
		891,000	820,664

22 TRADE AND OTHER PAYABLES - UNSECURED

Creditors		7,591,511	14,093,154
Contract liabilities		119,438	119,438
Accrued liabilities		24,685,317	29,728,749
Payable to old employees		2,966,092	2,966,092
		35,362,358	46,907,433

23 ACCRUED MARKUP

Accrued portion of finance cost - Long term borrowings	19	8,430,921	591,743,197
Accrued portion of finance cost - Markup accrued on secured borrowings	20	8,880,883	-
		17,311,804	591,743,197

It represents markup pertaining to non-current liabilities (as explained in note 19).

24 SHORT TERM BORROWINGS - UNSECURED

Loans from directors		8,469,056	31,529,926
Loans from sponsors		271,863,374	154,226,998
Loan from Abuzar Grinding Mills (Private) Limited - Associated company		18,419,610	18,419,610
Loan from Crescent Star Insurance Limited - Associated company		100,000	-
		298,852,040	204,176,534



These loans are unsecured, interest free, obtained to facilitate the Company for working capital requirement and had been utilized accordingly. The movement during the year is on account of loans obtained amounting to Rs. 94,675,505 and loans repaid/ adjusted amounting to Rs. Nil.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

The Company is not exposed to any contingent liability in respect of syndicated loan at the statement of financial position date, in view of restructuring agreement - note 19.

During the year ended 30 June 2015, two suits were filed against the Company in the Lahore High Court for the recovery of Rs. 1,299,588,534 and Rs. 122,197,136 by "Faysal Bank Limited and others" and "Pakistan Kuwait Investment Company (Private) Limited" respectively. During the year ended 30 June 2025 the banks and the Company shall, in their respective suits, jointly file the requisite compromise applications which incorporates the terms of the new restructuring agreement in order to obtain compromise/ consent decree(s) in pending cases.

25.2 Commitments

Non-capital commitments - post dated cheques

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

26 COST OF SALES

Raw material consumed

Opening stock of raw material

Add: Purchased during the year

Less: Closing stock of raw material

Manufacturing overheads

Salaries, wages and other benefits

Fuel, power and water

Rent, rates and taxes

Entertainment

Repair and maintenance

Printing and stationery

Depreciation

Add: Opening stock of work in process

Less: Closing stock of work in process

Cost of goods manufactured

Add: Opening stock of finished goods

Less: Closing stock of finished goods

26.1 Salaries, wages and other benefits include Rs. 841,000 (2024 : Rs. 455,788) in respect of gratuity (note 21.1.1).

27 ADMINISTRATIVE AND SELLING EXPENSES

Chief Executive Remuneration

Salaries and other benefits

Utilities

Rent, rates and taxes

Printing and stationery

Vehicles' running and maintenance

Telephone, postage and couriers

Auditors' remuneration

Legal and professional charges

Entertainment

Repairs and maintenance

Traveling and conveyance

Advertisement

Fees and subscription

Depreciation

Amortization

Penalties

Miscellaneous expenses

27.1 Salaries and other benefits include Rs. 50,000 (2024: Rs. 364,876) in respect of gratuity (note 21.1.1).

27.2 Auditors' remuneration

Audit fee

CCG review fee

Interim half yearly review fee

Other certification charges

27.3 The Company submitted its Annual and Quarterly Financial Statements with a substantial delay, resulting in penalty which was paid to the Pakistan Stock Exchange (PSX) under PSX Regulation 5.21.1.

28 FINANCE COST

Markup on long term borrowings

Bank charges and commission

Note	2025 Rupees	2024 Rupees
	-	356,250
	-	-
10	-	-
	-	-
26.1	12,764,881	11,088,984
	11,179,711	9,291,020
	7,500	-
	1,741,377	1,736,462
	574,113	16,565,747
	14,510	11,315
6.1	12,325,949	13,775,250
	38,608,041	52,468,778
	-	-
	-	-
	-	-
	38,608,041	52,468,778
	-	-
	-	-
	-	-
	38,608,041	52,468,778
	1,500,000	-
27.1	1,460,000	4,535,146
	312,575	448,543
	1,077,185	1,078,787
	62,350	58,079
	2,750	-
	100,210	139,390
27.2	899,850	961,250
	2,495,223	9,960,521
	115,851	78,318
	209,400	328,080
	196,024	95,761
	536,700	169,000
	1,480,690	12,457,762
6.1	242,102	251,775
7	-	-
27.3	90,000	120,000
	287,704	106,130
	11,068,614	30,788,542
	509,250	460,950
	94,500	85,050
	191,100	173,250
	105,000	242,000
	899,850	961,250
	129,207,921	177,170,525
	41,710	49,495
	129,249,631	177,220,020



	Note	2025 Rupees	2024 Rupees
29 OTHER INCOME			
On financial assets			
Profit on bank deposit accounts		-	2,467
Reversal of impairment allowance for (ECL)		-	18,238,950
Gain on restructuring of old financial liability		480,954,765	-
On non-financial assets			
Other income		822,893	-
		481,777,658	18,241,417
30 OTHER EXPENSE			
Bank balances written off	30.1	87,338	-
Input sales tax written off	30.2	7,816,890	-
		7,904,228	-
31 LEVIES			
31.1 This represents Alternate Corporate Tax under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/ IAS 37.	31.1	51,484,733	-
32 TAXATION - INCOME TAX			
Current tax		-	-
Deferred tax	32.1	(58,998,168)	-
		(58,998,168)	-
32.1 Deferred tax liability as on 30 June		1,822,636,693	-
Less: Opening deferred tax liability		-	-
Deferred tax expense		1,822,636,693	-
Deferred tax recognised in OCI		(1,881,634,861)	-
Deferred tax income recognized in the statement of profit and loss		(58,998,168)	-
32.2 The Company has suspended its operations since 2019 and is not carrying out its usual business and has therefore not made any sales during the year and resultantly has not incurred any tax liability.			
33 EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED			
Earning/ (loss) per share is calculated by dividing the profit after tax for the year by the weighted average number of ordinary shares outstanding during the year as follows:			
Profit/ loss attributable to ordinary shareholders	Rupees	302,460,579	(242,235,923)
Weighted average number of ordinary shares in issue during the year		444,695,577	374,841,314
Earnings/ (loss) per share - basic and diluted	Rupees	0.68	(0.65)
No figure for diluted earnings/ (loss) per share has been presented as the Company has not issued any instrument carrying options which would have an impact on earnings/ (loss) per share when exercised.			
34 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT			
34.1 Financial instrument by category			
Financial assets - at amortized cost			
Long term security deposits	8	40,551,445	40,521,445
Advances	12	9,229	9,229
Cash and bank balances	14	676,819	914,217
		41,237,493	41,444,891
Financial liabilities - at amortized cost			
Advance for issuance of shares-unsecured	18	3,829,952	3,829,952
Long term borrowings - secured	19	619,057,488	96,366,221
Markup accrued on secured borrowings	20	652,096,910	614,940,264
Trade and other payables	22	35,242,920	46,787,995
Accrued markup	23	17,311,804	591,743,197
Short term borrowings - unsecured	24	298,852,040	204,176,534
Current and overdue portion of long term borrowings	19-20	315,621,971	697,448,482
		1,942,013,085	2,255,292,645
34.2 Reconciliation to the line items presented in the statement of financial position			
The reconciliation to the line items presented in the statement of financial position is as follows:			

Assets
Long term security deposits
Advances
Cash and bank balances

2025		
Financial assets	Non-financial assets	Assets as per statement of financial position
40,551,445	-	40,551,445
9,229	1,073,155	1,082,384
676,819	-	676,819
41,237,493	1,073,155	42,310,648



Liabilities

Advance for issuance of shares - unsecured
Long term borrowings - secured
Markup accrued on secured borrowings
Trade and other payables - unsecured
Accrued markup
Short term borrowings - unsecured
Current and overdue portion of non - current liabilities

2025		
Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
3,829,952	-	3,829,952
619,057,488	-	619,057,488
652,096,910	-	652,096,910
35,242,920	119,438	35,362,358
17,311,804	-	17,311,804
298,852,040	-	298,852,040
315,621,971	-	315,621,971
1,942,013,085	119,438	1,942,132,523

Assets

Long term security deposits
Advances
Cash and bank balances

2024		
Financial assets	Non-financial assets	Assets as per statement of financial position
40,521,445	-	40,521,445
9,229	663,365	672,594
914,217	-	914,217
41,444,891	663,365	42,108,256

Liabilities

Advance for issuance of shares - unsecured
Long term borrowings - secured
Markup accrued on secured borrowings
Trade and other payables - unsecured
Accrued markup
Short term borrowings - unsecured
Current and overdue portion of non - current liabilities

2024		
Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
3,829,952	-	3,829,952
96,366,221	-	96,366,221
614,940,264	-	614,940,264
46,787,995	119,438	46,907,433
591,743,197	-	591,743,197
204,176,534	-	204,176,534
697,448,482	-	697,448,482
2,255,292,645	119,438	2,255,412,083

34.3 Financial risk management

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

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

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

a) Credit risk and concentration of credit risk

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

Out of the total financial assets of Rs. 41,237,493 (2024: Rs. 41,444,891), the financial assets which are subject to credit risk amounted to Rs. 40,569,739 (2024: Rs. 41,179,458).

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

	2025 Rupees	2024 Rupees
Long term security deposits	40,551,445	40,521,445
Advances	9,229	9,229
Bank balances	9,065	648,784
	40,569,739	41,179,458

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

1 - 30 days	-	-
Past due 31 - 60 days	-	-
Past due 61 - 180 days	-	-
Past due 181 - 365 days	-	-
Past due more than days	19,469,715	19,469,715
	19,469,715	19,469,715
Remeasurement of ECL	(19,469,715)	(19,469,715)
	-	-

Remeasurement of ECL - aging

1 - 30 days	-	-
Past due 31 - 60 days	-	-
Past due 61 - 180 days	-	-
Past due 181 - 365 days	-	-
Past due more than days	19,469,715	19,469,715
	19,469,715	19,469,715



Credit risk related to bank balance

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

Bank Name	Rating agency	Rating		2025	2024
		Long Term	Short Term	Rupees	Rupees
Askari Bank Limited	PACRA	AA+	A-1+	-	4,530
Faysal Bank Limited	VIS & PACRA	AA	A-1+	-	35,128
National Bank of Pakistan	VIS & PACRA	AAA	A-1+	-	4,100
Silk Bank Limited	VIS	A-	A-2	-	18,166
United Bank Limited	VIS	AAA	A-1+	5,794	566,023
Soneri Bank Limited	PACRA	AA-	A-1+	-	7,031
Bank Alfalah Limited	PACRA	AAA	A-1+	-	10,500
Allied Bank Limited	PACRA	AAA	A-1+	3,199	3,234
Meezan Bank Limited	VIS	AAA	A-1+	72	72
				<u>9,065</u>	<u>648,784</u>

b) Liquidity Risk

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

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

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

	Carrying Amount	Contractual Cashflows	Six months or less	Six to twelve months	More than one year
30 June 2025					
Advance for issuance of shares-unsecured	3,829,952	3,829,952	-	-	3,829,952
Long term borrowings - secured	619,057,488	745,073,532	-	-	745,073,532
Markup accrued on secured borrowings	652,096,910	784,838,496	-	-	784,838,496
Trade and other payables	35,242,920	35,242,920	35,242,920	-	-
Accrued markup	17,311,804	17,311,804	17,311,804	-	-
Short term borrowings - unsecured	298,852,040	298,852,040	298,852,040	-	-
Current and overdue portion of long term borrowings	315,621,971	315,621,971	149,155,083	166,466,888	-
	<u>1,942,013,085</u>	<u>2,200,770,715</u>	<u>500,561,847</u>	<u>166,466,888</u>	<u>1,533,741,980</u>

	Carrying Amount	Contractual Cashflows	Six months or less	Six to twelve months	More than one year
30 June 2024					
Advance for issuance of shares-unsecured	3,829,952	3,829,952	-	-	3,829,952
Long term borrowings - secured	96,366,221	115,870,744	-	-	115,870,744
Markup accrued on secured borrowings	614,940,264	614,940,264	-	-	614,940,264
Trade and other payables	46,787,995	46,787,995	46,787,995	-	-
Accrued markup	591,743,197	591,743,197	591,743,197	-	-
Short term borrowings - unsecured	204,176,534	204,176,534	204,176,534	-	-
Current and overdue portion of long term borrowings	697,448,482	697,448,482	93,150,962	102,466,060	501,831,460
	<u>2,255,292,645</u>	<u>2,274,797,168</u>	<u>935,858,688</u>	<u>102,466,060</u>	<u>1,236,472,420</u>

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

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is not exposed to any currency risk as it does not hold any foreign currency receivables/ payables.

ii) Interest rate risk

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

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

	2025	2024	2025	2024
	Effective rate		Carrying amount	
	%		Rupees	
Long term borrowings - secured	12	3 Month KIBOR	619,057,488	96,366,221
Current and overdue portion of long term borrowings	---- do ----	---- do ----	153,709,215	697,448,482
			<u>772,766,703</u>	<u>793,814,703</u>



Interest rate risk cash flow sensitivity

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

Cash flow sensitivity - variable rate	Change in BPS	Effect on loss before tax	
		Rupees	Rupees
Long term borrowings- secured	100 bps	-	963,662
Current and overdue portion of long term borrowings	100 bps	-	6,974,485

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 commensurate with 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:

	2025 Rupees	2024 Rupees
Total debts	1,902,940,213	997,991,237
Less: Cash and bank balances	(676,819)	(914,217)
Net debt	1,902,263,394	997,077,020
Total equity	6,451,044,137	311,648,567
Net debt-to-equity (times)	0.29	3.20

Fair value of financial assets and liabilities

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

d) Operational risk

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

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

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

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

35 TRANSACTIONS WITH RELATED PARTIES

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

The advance for shares and outstanding balance payable to directors and sponsors and transactions with them are disclosed in note 18 and 24, shares held by related parties in note 15 and remuneration paid to chief executive and directors is disclosed in note 36 to these financial statements. Significant transactions with related parties not disclosed elsewhere are as follows:

	2025 Rupees	2024 Rupees
Key management personnel		
-Loan received during the year	5,000,000	6,113,571
-Loan repaid/ adjusted during the year	-	95,823,750
Family of key management personnel		
-Loan received during the year	-	17,579,442
-Loan repaid/ adjusted during the year	-	133,989,220

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

Name of related party	Basis of relationship	Relationship	Shareholding %
Ms. Nargis Abuzar Shad	Shareholder and director	Shareholding	2.168%
Mr. Zahid Iftakhar	Shareholder and director	Shareholding	5.527%
Mr. Mian Abuzar Shad	Shareholder and director	Shareholding	4.600%
Mr. Saad Zahid	Shareholder and family of key management personnel	Shareholding	0.966%
Mr. Bilal Jamal Iftakhar	Shareholder and family of key management personnel	Shareholding	1.801%
Ms. Mona Zahid	Shareholder and family of key management personnel	Shareholding	0.090%
Mr. Jamal Iftakhar Ahmed	Shareholder and family of key management personnel	Shareholding	6.157%
Crescent Star Insurance Limited	Common directorship	Associated company	0.054%
Abuzar Grinding Mills (Private) Limited	Common directorship	Associated company	N/A



36 REMUNERATION AND OTHER BENEFITS TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief executive officer		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	----- Rupees -----					
Managerial remuneration	1,500,000	-	-	-	-	1,620,000
Other allowances	-	-	-	-	-	-
Car allowances	-	-	-	-	-	450,000
Staff retirement gratuity	-	-	-	-	-	180,000
Directors' meeting fee	-	-	-	-	-	-
	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>6</u>	<u>0</u>	<u>1</u>

37 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.

38 PRODUCTION CAPACITY

	2025	2024
	Metric Tons	
Total installed capacity - on three shift basis	<u>350,000</u>	<u>350,000</u>
Available installed capacity - on three shift basis	<u>350,000</u>	<u>350,000</u>
Actual production	<u>-</u>	<u>-</u>

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

39 NUMBER OF EMPLOYEES

	2025	2024
	Number	
Total number of employees as at 30 June	<u>26</u>	<u>26</u>
Average number of employees during the year	<u>25</u>	<u>24</u>

40 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.

41 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on _____ by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director



**THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING**

1.1 Name of the Company

DOST STEELS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2025

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
305	1	100	7,164
6,146	101	500	3,045,521
822	501	1,000	806,384
1,758	1,001	5,000	4,912,478
437	5,001	10,000	3,497,780
159	10,001	15,000	2,085,715
101	15,001	20,000	1,878,133
83	20,001	25,000	1,947,192
41	25,001	30,000	1,185,980
18	30,001	35,000	602,086
22	35,001	40,000	841,440
9	40,001	45,000	396,000
37	45,001	50,000	1,819,101
15	50,001	55,000	794,401
9	55,001	60,000	525,470
3	60,001	65,000	181,580
6	65,001	70,000	409,478
12	70,001	75,000	890,156
7	75,001	80,000	543,345
3	80,001	85,000	246,942
5	85,001	90,000	441,000
5	90,001	95,000	467,960
19	95,001	100,000	1,898,410
1	100,001	105,000	100,500
1	105,001	110,000	105,921
3	110,001	115,000	336,000
7	115,001	120,000	833,188
4	120,001	125,000	494,500
3	125,001	130,000	388,314
2	130,001	135,000	261,831
1	135,001	140,000	140,000
3	140,001	145,000	425,760
4	145,001	150,000	597,700
2	155,001	160,000	318,620
1	160,001	165,000	164,000
3	170,001	175,000	525,000
2	180,001	185,000	368,153
1	185,001	190,000	189,163

2	190,001	195,000	383,590
6	195,001	200,000	1,200,000
1	220,001	225,000	225,000
1	230,001	235,000	233,000
3	235,001	240,000	714,382
1	245,001	250,000	250,000
2	250,001	255,000	505,000
1	255,001	260,000	259,500
1	260,001	265,000	260,500
2	265,001	270,000	536,460
2	270,001	275,000	548,200
1	275,001	280,000	277,242
1	285,001	290,000	288,446
1	310,001	315,000	312,500
2	325,001	330,000	654,280
1	335,001	340,000	335,380
1	345,001	350,000	348,407
1	355,001	360,000	360,000
1	370,001	375,000	373,997
1	385,001	390,000	390,000
1	390,001	395,000	395,000
2	395,001	400,000	797,150
1	400,001	405,000	403,500
1	410,001	415,000	411,360
1	445,001	450,000	449,237
1	455,001	460,000	455,157
2	495,001	500,000	1,000,000
1	515,001	520,000	515,500
1	585,001	590,000	590,000
1	595,001	600,000	600,000
1	605,001	610,000	606,680
1	710,001	715,000	714,044
1	715,001	720,000	720,000
2	745,001	750,000	1,500,000
1	885,001	890,000	887,500
1	995,001	1,000,000	1,000,000
1	1,085,001	1,090,000	1,090,000
1	1,255,001	1,260,000	1,257,000
1	1,370,001	1,375,000	1,370,258
1	1,435,001	1,440,000	1,436,000
1	1,695,001	1,700,000	1,700,000
1	2,005,001	2,010,000	2,008,300
1	2,875,001	2,880,000	2,880,000
1	2,985,001	2,990,000	2,986,043
1	3,420,001	3,425,000	3,424,484
1	3,915,001	3,920,000	3,915,500
1	4,145,001	4,150,000	4,149,900
1	4,290,001	4,295,000	4,293,912
1	5,540,001	5,545,000	5,544,688
1	6,135,001	6,140,000	6,136,506
1	6,885,001	6,890,000	6,886,506

2	7,505,001	7,510,000	15,016,814
1	8,005,001	8,010,000	8,007,196
1	9,640,001	9,645,000	9,641,500
1	20,000,001	20,005,000	20,000,947
1	20,455,001	20,460,000	20,458,000
1	24,575,001	24,580,000	24,577,686
1	26,680,001	26,685,000	26,681,734
1	27,380,001	27,385,000	27,380,986
1	29,980,001	29,985,000	29,983,422
1	38,895,001	38,900,000	38,900,000
1	39,145,001	39,150,000	39,145,500
1	40,020,001	40,025,000	40,022,602
1	41,625,001	41,630,000	41,626,715

10,140

444,695,577

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	55,135,686	12.3985%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	9,000	0.0020%
2.3.5 Insurance Companies	238,401	0.0536%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	388,125,015	87.2788%
b. Foreign	1,500	0.0003%
2.3.9 Others (to be specified)		
- Joint Stock Companies	1,082,975	0.2435%
- Others	103,000	0.0232%

DOST STEELS LIMITED
Categories of Share Holders
As on 30th June, 2025

ONLY FOR INFORMATION
NOT FOR PRINTING

S. No. NAME

HOLDING

% AGE

DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN:

1	MR. SUHAIL ELAHI (CEO) (CDC)	500	0.0001%
2	MR. MUHAMMAD AZHAR CHUGHTAI (CDC)	500	0.0001%
3	MIAN ABUZAR SHAD (CDC)	20,458,000	4.6005%
4	MRS. NARGIS ABUZAR SHAD (CDC)	9,641,500	2.1681%
5	MR. ZAHID IFTAKAHR (CDC)	24,577,686	5.5269%
6	MR. SHAFIQ AHMED SOOMRO (CDC)	57,000	0.0128%
7	MS. SABA AZAM (CDC)	500	0.0001%
8	MRS. MONA ZAHID W/O ZAHID IFTAKHAR (CDC)	400,000	0.0899%

55,135,686 12.3985%

ASSOCIATED COMPANIES:

NIT & ICP:

0 0.0000%

0 0.0000%

BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS,

NON BANKING FINANCIAL INSTITUTIONS:

1	ESCORTS INVESTMENT BANK LIMITED (CDC)	9,000	0.0020%
		9,000	0.0020%

INSURANCE COMPANIES:

1	CRESCENT STAR INSURANCE LIMITED (CDC)	238,401	0.0536%
		238,401	0.0536%

INVESTMENT COMPANIES

0 0.0000%

MODARABAS & MUTTUAL FUNDS

0 0.0000%

JOINT STOCK COMPANIES:

1	KM ENTERPRISES (PVT.) LIMITED (CDC)	373,997	0.0841%
2	ABA ALI HABIB SECURITIES (PVT) LIMITED (CDC)	500	0.0001%
3	BEAMING INVEST & SECURITIES(PVT.) LTD. (CDC)	3,000	0.0007%
4	CLIKTRADE LIMITED (CDC)	34	0.0000%
5	CMA SECURITIES (PVT.) LIMITED (CDC)	35,000	0.0079%
6	ELAHI NOOR ENTERPRISES PVT LIMITED (CDC)	500	0.0001%
7	GPH SECURITIES (PRIVATE) LIMITED (CDC)	25,000	0.0056%
8	GPP-SNA AQUAFARMING (PRIVATE) LIMITED (CDC)	14,500	0.0033%
9	GPP-SNA PICK PURE (PRIVATE) LIMITED (CDC)	46,500	0.0105%
10	HAFIZ LIMITED (CDC)	10,000	0.0022%
11	IMPERIAL INVESTMENT (PVT) LTD. (CDC)	500	0.0001%
12	J. K. SPINNING MILLS LIMITED (CDC)	75,000	0.0169%
13	KM ENTERPRISES (PVT.) LIMITED (CDC)	500	0.0001%
14	MAK SECURITIES (PRIVATE) LIMITED (CDC)	1,000	0.0002%
15	MEHDI SECURITIES (PRIVATE) LIMITED (CDC)	1,000	0.0002%
16	MRA SECURITIES LIMITED (CDC)	175,000	0.0394%
17	MSMANIAR FINANCIALS (PVT) LTD (CDC)	2,500	0.0006%
18	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED (CDC)	44	0.0000%
19	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	116,200	0.0261%
20	NCC-RETRIEVAL ACCOUNT (CDC)	1,500	0.0003%

21	NH SECURITIES (PVT) LIMITED (CDC)	20,005	0.0045%
22	PASHA SECURITIES (PVT.) LIMITED (CDC)	10,000	0.0022%
23	PRUDENTIAL SECURITIES LIMITED (CDC)	1,028	0.0002%
24	SHAFFI SECURITIES (PVT) LIMITED (CDC)	19,010	0.0043%
25	WEAVERS PAKISTAN PVT LIMITED (CDC)	500	0.0001%
26	ZAFAR SECURITIES (PVT) LTD. (CDC)	150,000	0.0337%
27	WEAVERS PAKISTAN (PRIVATE) LIMITED (CDC)	157	0.0000%
		1,082,975	0.2435%

OTHERS

1	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T (CDC)	100,000	0.0225%
2	FIRST UDL MODARABA STAFF PROVIDENT FUND (CDC)	2,000	0.0004%
3	TRUSTEES OF CANTEEN STORES DEPARTMENT (CDC)	1,000	0.0002%
		103,000	0.0232%

EXECUTIVES

0	0.0000%
----------	----------------

SHARES HELD BY THE GENERAL PUBLIC (FOREIGN):

1,500	0.0003%
-------	---------

SHARES HELD BY THE GENERAL PUBLIC (LOCAL):

388,125,015	87.2788%
388,126,515	87.2791%

TOTAL	444,695,577	100.0000%
--------------	--------------------	------------------

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:

NIL

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL:

1	MST ESHWAH ABUZAR (CDC)	41,694,114	9.3759%
2	MR. MOHABAT KHAN (CDC)	40,022,602	9.0000%
3	MR. ABDULLAH IQBAL AUJLA (CDC)	39,145,500	8.8028%
4	MS. JANNAT ABUZAR (CDC)	38,901,017	8.7478%
5	MST. QURAT UL AIN SHAHZEB (CDC)	29,983,422	6.7425%
6	MR. JAMAL IFTAKHAR AHMED (CDC)	27,380,986	6.1572%
7	MR. ZAHIR KHAN (CDC)	26,681,734	6.0000%
8	MR. ZAHID IFTAKAHR (CDC)	24,577,686	5.5269%
		268,387,061	60.3530%

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

<u>S. No.</u>	<u>NAME</u>	<u>SALE</u>	<u>PURCHASE</u>
----------------------	--------------------	--------------------	------------------------

Dear Sir, Please check the same at your end.

DOST STEELS LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. SUHAIL ELAHI (CEO) (CDC)	500	0.0001%
2	MR. MUHAMMAD AZHAR CHUGHTAI (CDC)	500	0.0001%
3	MIAN ABUZAR SHAD (CDC)	20,458,000	4.6005%
4	MRS. NARGIS ABUZAR SHAD (CDC)	9,641,500	2.1681%
5	MR. ZAHID IFTAKAHR (CDC)	24,577,686	5.5269%
6	MR. SHAFIQ AHMED SOOMRO (CDC)	57,000	0.0128%
7	MS. SABA AZAM (CDC)	500	0.0001%
8	MRS. MONA ZAHID W/O ZAHID IFTAKHAR (CDC)	400,000	0.0899%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		9,000	0.0020%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	MST ESHWAH ABUZAR (CDC)	41,694,114	9.3759%
2	MR. MOHABAT KHAN (CDC)	40,022,602	9.0000%
3	MR. ABDULLAH IQBAL AUJLA (CDC)	39,145,500	8.8028%
4	MS. JANNAT ABUZAR (CDC)	38,901,017	8.7478%
5	MST. QURAT UL AIN SHAHZEB (CDC)	29,983,422	6.7425%
6	MR. JAMAL IFTAKHAR AHMED (CDC)	27,380,986	6.1572%
7	MR. ZAHIR KHAN (CDC)	26,681,734	6.0000%
8	MR. ZAHID IFTAKAHR (CDC)	24,577,686	5.5269%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

<u>S. No.</u>	<u>NAME</u>	<u>SALE</u>	<u>PURCHASE</u>
---------------	-------------	-------------	-----------------

Dear Sir, Please check the same at your end.

FORM OF PROXY

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

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

I/ We _____
(Name) (Address)

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

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

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

who is also member of the Company vide Registered Folio No. /CDC A/c No. _____ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my/our behalf at an Annual General Meeting of the Company to be held on October 28, 2025 at 09:00 a.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2025

(Witnesses)

1. _____
Signature

Name _____

Address _____

CNIC No. _____

(Witnesses)

2. _____
Signature

Name _____

Address _____

CNIC No. _____

Affix Revenue Stamp
of Rupees Five

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

Notes:

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

A. For Attending the Meeting.

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

B. For appointing Proxies.

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

FORM OF PROXY

کمپنی سیکرٹری
دوست اسٹیلز لمیٹڈ
کمرہ نمبر 403، چوتھی منزل،
ابراہیم ٹریڈ سینٹر،
ایبک بلاک، برکت مارکیٹ،
نیو گارڈن ٹاؤن، لاہور

میں/ہم

(نام) _____
(پتہ) _____
جو دوست اسٹیلز لمیٹڈ ("DSL") کے رکن ہیں، بذریعہ اس دستاویز کے تقرر کرتے ہیں

جناب/محترمہ/محترمہ کا تعلق _____ سے ہے
(نام) _____
(پتہ) _____
اور اگر وہ دستیاب نہ ہوں تو جناب/محترمہ/محترمہ _____ جن کا پتہ _____ ہے،
(نام) _____
(پتہ) _____

جو کمپنی کے رکن بھی ہیں، رجسٹرڈ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر _____ کے تحت، انہیں بطور میرا/ہمارا نمائندہ مقرر کیا جاتا ہے تاکہ وہ کمپنی کی سالانہ عام میٹنگ، جو 28 اکتوبر 2025 کو صبح 09:00 بجے منعقد ہوگی، اور اس کے کسی بھی ملتوی اجلاس میں میری/ہماری جانب سے شرکت کریں اور ووٹ دیں۔

دستخط اس _____ دن _____ 2025 کو۔

(گواہان)

پانچ روپے کا ریونیو اسٹامپ چسپاں
کریں۔

1 _____
دستخط

نام _____

پتہ _____

(گواہان)

2 _____
دستخط

شیئر ہولڈر کے دستخط
(دستخط وہی ہونے چاہئیں جو کمپنی کے
پاس رجسٹر شدہ نمونے سے مطابقت
رکھتے ہوں۔)

نام _____

پتہ _____

نوٹ:

1) وہ رکن جو سالانہ عام اجلاس میں شرکت اور ووٹ دینے کا حق رکھتا ہے، وہ کسی دوسرے رکن کو اپنا نمائندہ مقرر کر سکتا ہے تاکہ وہ اس کی جگہ اجلاس میں شرکت کرے اور ووٹ دے۔ اگر کوئی کارپوریشن یا کمپنی، کمپنی کی رکن ہے، تو وہ اپنے کسی افسر کو (چاہے وہ کمپنی کا رکن نہ ہو) بطور نمائندہ مقرر کر سکتی ہے۔

2) نمائندہ فارم کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے . موصول ہونا چاہیے۔

3) نمائندہ فارم پر دستخط کمپنی کے پاس موجود رجسٹر شدہ نمونے کے مطابق ہونے چاہئیں۔

4) اکاؤنٹ ہولڈرز کو، پاکستان کی سیکیورٹیز اینڈ ایکسچینج کمیشن کے 26 جنوری 2000 کے سرکر نمبر 1 کے CDC سی ڈی سی مطابق، درج ذیل ہدایات پر عمل کرنا ہوگا:

الف۔ اجلاس میں شرکت کے لیے:

i) یا (CNIC) ہوتو، وہ اپنے اصل شناختی کارڈ (Individual) اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر فرد اگر اصل پاسپورٹ کے ساتھ اپنا پارٹیسپنٹ آئی ڈی نمبر اور اکاؤنٹ نمبر دکھا کر اپنی شناخت کی تصدیق کرے گا۔

ii) پاور آف اٹارنی نمائندے کے اگر رکن کوئی کارپوریٹ ادارہ ہوتو، اس کا بورڈ ریزولوشن یا دستخطوں کے نمونے سمیت اجلاس کے وقت پیش کرنا ہوگا (اگر پہلے سے فراہم نہ کیا گیا

ب۔ نمائندہ مقرر کرنے کے لیے: (Proxy Appointment)

i) فارم اگر اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر فرد ہو، تو وہ مذکورہ بالا شرائط کے مطابق نمائندہ جمع کرائے گا۔

ii) نمائندہ فارم پر دو گواہوں کے دستخط ہوں، جن کے نام، پتے اور شناختی کارڈ نمبرز فارم پر درج کیے جائیں۔

iii) مفید مالکان اور نمائندہ دونوں کے تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی نقول نمائندہ فارم کے ساتھ جمع کرائی جائیں۔

iv) نمائندہ کو اجلاس کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

v) اگر رکن کوئی کارپوریٹ ادارہ ہو، تو بورڈ ریزولوشن یا پاور آف اٹارنی دستخط کے نمونوں سمیت کمپنی کو نمائندہ فارم کے ساتھ جمع کرایا جائے اگر پہلے سے جمع نہ کرایا گیا ہو)۔

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