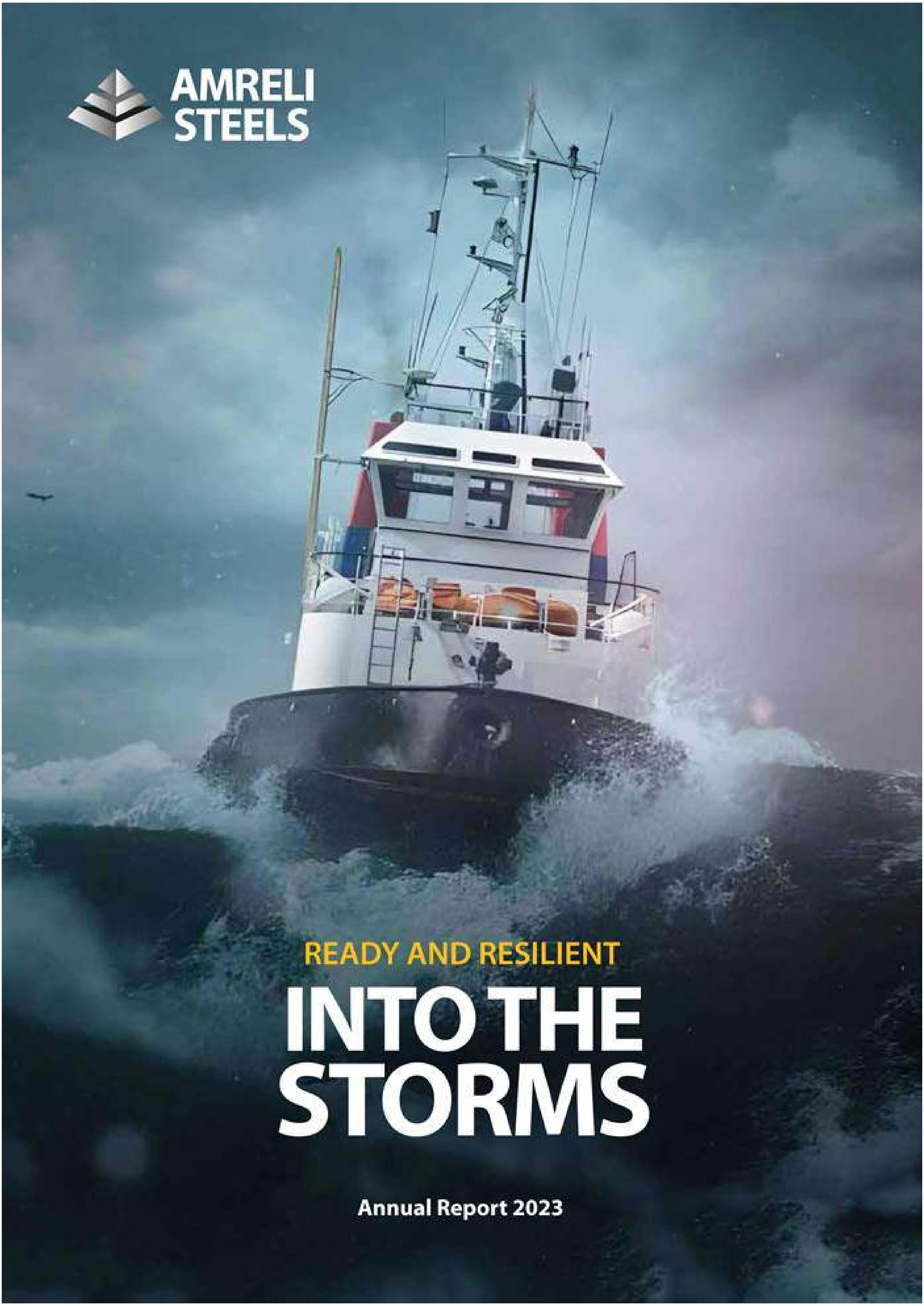
AMRELI STEELS



READY AND RESILIENT

INTO THE STORMS

Annual Report 2023


Annual Report 2023

INTO THE STORMS

2023 was yet another tumultuous year for Pakistan. We experienced storms of political uncertainty. We were thrown in the midst of an economic desert with no way out. We witnessed eruptions of social and civil unrest.

Unprecedented times call for unprecedented resilience. Amreli Steels' resolve to stand tall, face the challenges and brave through these times has become even more **SOLID**.

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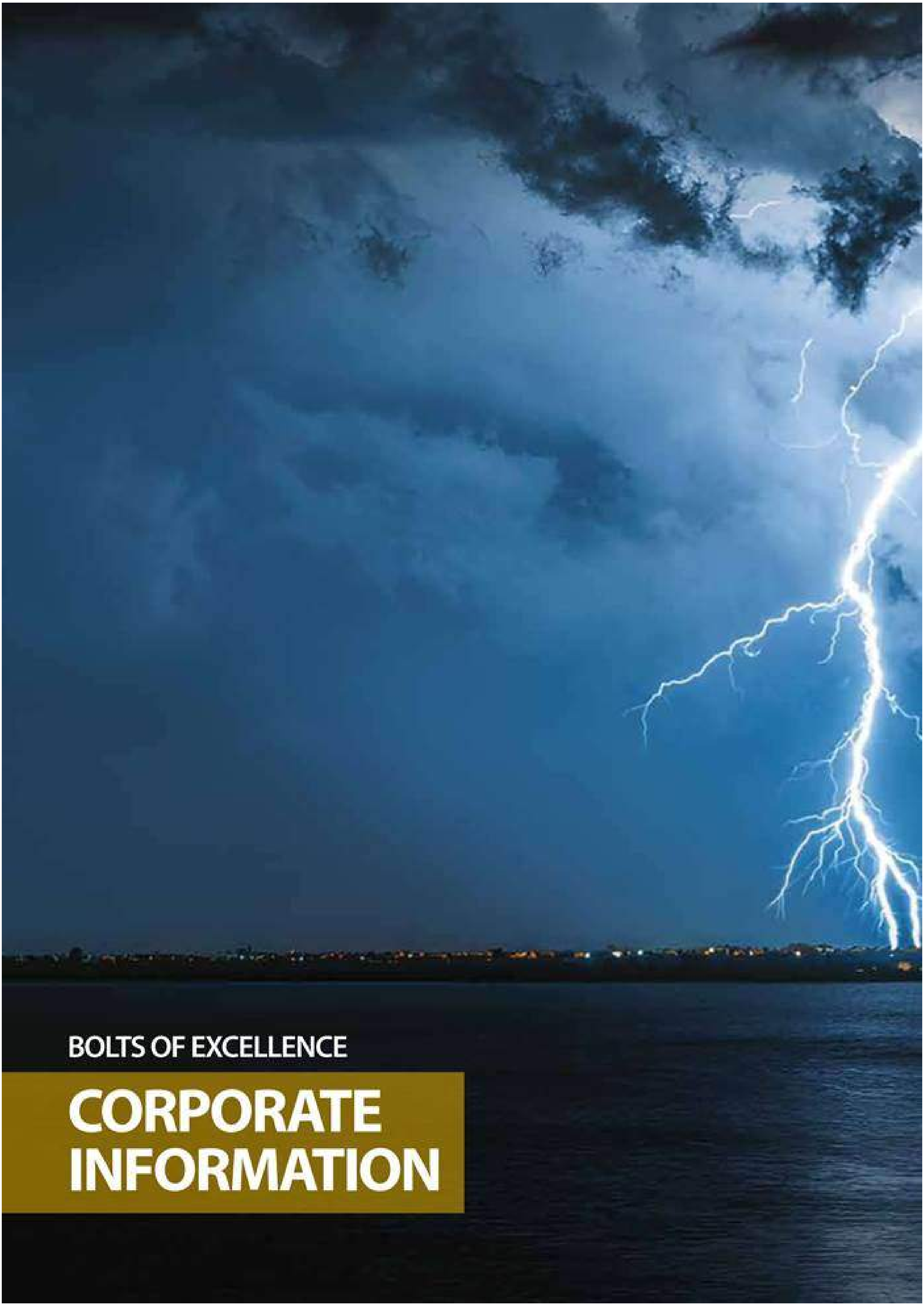
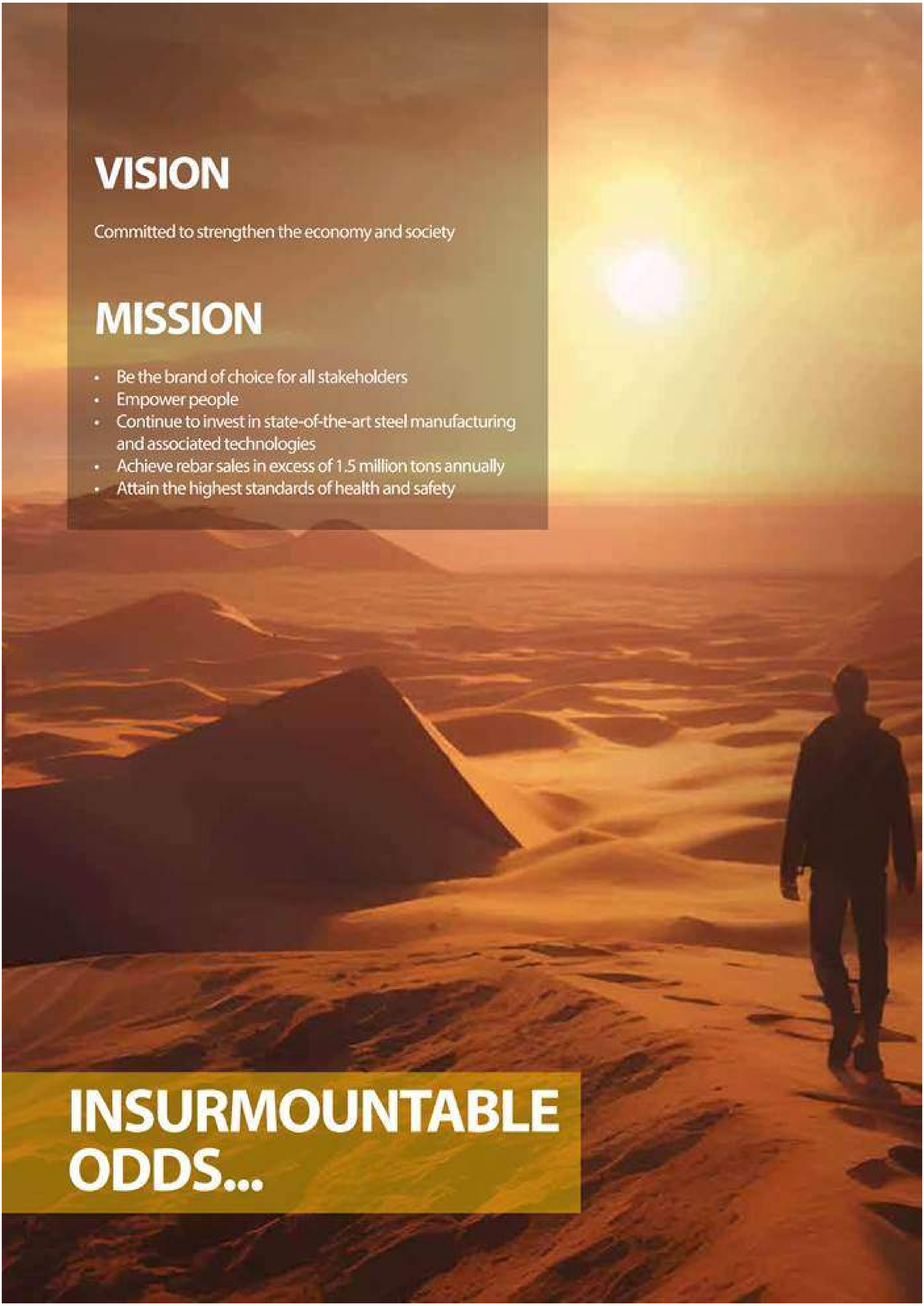


BOLTS OF EXCELLENCE

CORPORATE INFORMATION



VISION

Committed to strengthen the economy and society

MISSION

- Be the brand of choice for all stakeholders
- Empower people
- Continue to invest in state-of-the-art steel manufacturing and associated technologies
- Achieve rebar sales in excess of 1.5 million tons annually
- Attain the highest standards of health and safety

INSURMOUNTABLE ODDS...

CORE VALUES

RESPECT
We treat others the way we want to be treated
Give respect - regardless
We value diversity and believe in equality
We value differences of opinions
We respect the environment

RESILIENCE
We never give up
We stand tall in adversity
We embrace challenges
We view failures and mistakes as learning opportunities
We will win – if not immediately, then definitely

INTEGRITY
We deliver what we promise
We uphold the highest standards of ethics and honor
We act transparently
We do the right thing
We speak up when our Values are compromised

DYNAMISM
We stay ahead of the curve
We change the game
We are innovative and aggressive
We are decisive and take calculated risks
We are agile and move fast

EXCELLENCE
We give our best everyday
We strive to excel in every aspect of our business
We operate outside our comfort zone
We adapt to best practices
We believe in continuous improvement

COMPANY PROFILE

Amreli Steels Limited (the Company) was incorporated in 1984 as a private limited Company and converted into a public unquoted Company in 2009. The Company enlisted on Pakistan Stock Exchange in December 2015 and is mainly engaged in manufacturing and sale of steel rebars and billets.

We are one of the largest manufacturers of steel reinforcement bars in Pakistan. The two re-rolling plants situated at S.I.T.E. Karachi and Dhabeji are using one of the most modern hot re-rolling technologies in the industry with a nameplate capacity of 180,000 metric tons and 425,000 metric tons of rebars per annum respectively.

Our Steel Melt Shop plant in Dhabeji, Sindh is the largest billet manufacturing facility in Pakistan boasting a nameplate capacity of 600,000 metric tons per year. This aims to bridge the supply-demand gap of Pakistan's steel industry.


WE NURTURE HOPE

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abbas Akberali
Chairman, Non Executive Director

Mr. Shayan Akberali
Chief Executive Officer

Mr. Teizoon Kisat
Independent Director

Mr. Zafar Ahmed Taji
Independent Director

Mr. Badar Kazmi
Independent Director

Mr. Hadi Abbas Akberali
Executive Director & Chief Operating Officer (Strategy)

Ms. Mariam Akberali
Non-Executive Director

AUDIT COMMITTEE

Mr. Teizoon Kisat
Chairman

Mr. Zafar Ahmed Taji
Member

Mr. Badar Kazmi
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Zafar Ahmed Taji
Chairman

Mr. Teizoon Kisat
Member

Mr. Shayan Akberali
Member

Mr. Fazal Ahmed
Chief Operating Officer (Operations)

Mr. Taha Umer
Chief Financial Officer

Mr. Adnan Abdul Ghffar
Company Secretary

EXTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
Karachi, Pakistan

SHARES REGISTRAR

THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Sreet-2, D.H.A., Phase-VII, Karachi-75500
UAN No: (021) 111-000-322
Email: sfc@thk.com.pk

LEGAL ADVISOR

LEX FIRMA
Advocates, Barristers & Legal Consultants
418, Continental Trade Centre
Clifton, Karachi

CORPORATE ADVISOR

Moore Shekha Mufti
C-253, P.E.C.H.S, Block -6
Off Shahrah-e-Faisal, Karachi
Tel: 021 -34374811-15

BANKERS

Al Baraka Bank Pakistan Limited
Askari Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Bank of Khyber
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bnak Limited
Meezan Bank Limited
National Bank Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

REGISTERED OFFICE

A-18, S.I.T.E, Karachi, Pakistan
UAN: 021-111-(AMRELI) 267354

HEAD OFFICE

14th Floor, Sky Tower A, Dolmen City,
Block-4, Scheme-5, Clifton, Karachi, Pakistan.
UAN: 021-111-(AMRELI) 267354

SHERSHAH ROLLING MILL (SRM)

D-89, Shershah Road, Karachi, Pakistan

STEEL MELT SHOP (SMS) & DHABEJI ROLLING MILL (DRM)

Industrial Land, Deh Gharo, Tapo Gharo, Taluka Mirpur Sakro
(Distt: Thatta), Sindh, Pakistan

SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED

ASTL

E-MAIL

investor-relations@amrelisteels.com

WEBSITE INFORMATION

www.amrelisteels.com

PRODUCT PORTFOLIO

Being the pioneer in Pakistani Steel Market not just in terms of technology but also market practices, Amreli Steels introduced the concept of Product brands for the 1st time in Pakistan in 2018. The objective of this initiative was to distinguish our different products in a consumer-relevant way and to facilitate the end-user, who is in most cases a first time purchaser, in making the right decision.

These product brands followed the "Branded House" convention and their identities are closely linked to our Corporate Brand "Amreli Steels".

Following are the product brands of Amreli Steels along with their unique features:

1. Amreli Steels Maxima

- Based on ASTM 615
- Ideal for any type of construction – Residential, commercial, mega, infrastructure projects in selected seismic zones*
- Yield Strength 60,000 PSI (Minimum)
- Ultimate Tensile Strength 90,000 PSI
- Earthquake Resistant in select seismic zones*
- consistent quality along the length due to Uniform Gauge
- Made from state of art meltshop and 5th generation red ring technology rolling mill for construction reinforcement

2. Amreli Steels Xtreme

- Based on BS 4449
- Ideal for Hi-rise buildings
- Yield Strength: 72,500 PSI (Minimum)
- Upto 15% consumption saving as compared to ASTM 615 , G-60 product
- Safely Weldable
- Earthquake Resistant in select seismic zones*
- consistent quality along the length due to Uniform Gauge
- Made from state of art meltshop and 5th generation red ring technology rolling mill for construction reinforcement

3. Amreli Steels Ultima

- Based on ASTM 706
- Earth Quake Resistant in all seismic zones
- Yield Strength: 60,000 PSI (minimum)
- Yield Strength: 78,000 PSI (Maximum)
- Ultimate Tensile Strength 80,000 PSI (minimum)
- Tensile to Yield Strength Ratio > 1.25
- Made from state of art meltshop and 5th generation red ring technology rolling mill for construction reinforcement
- consistent quality along the length due to Uniform Gauge
- Ideal for Residential and Commercial projects especially in high seismic activity zones

Besides these product brands, Amreli Steels is capable of delivering customized rebar solutions never before seen in our market thanks to its State-of-the-art plant based on 5th Generation Red Ring Technology, the first of its kind in Pakistan.

Amreli Steels can offer*

1. Rebars conforming to any international standard**
2. Rebars with Rib patterns as per any international standard**
3. Cut-to-length as per requirement from 6 meter to 16M in length**
4. Tensile to Yield Strength ratio 1.25 ratio in ASTM
5. 8 mm deformed in Pakistan

**These customized services are available for large quantities only. Lead times will vary from case to case basis.*
*** Subject to minimum quantity order.*

GEOGRAPHICAL PRESENCE

Head Office/ Sales Office
1. Head office – Clifton Karachi
2. Sales Office - Karsaz Karachi

Factories
1. Factory at Dhabeji
2. Factory at SITE Karachi

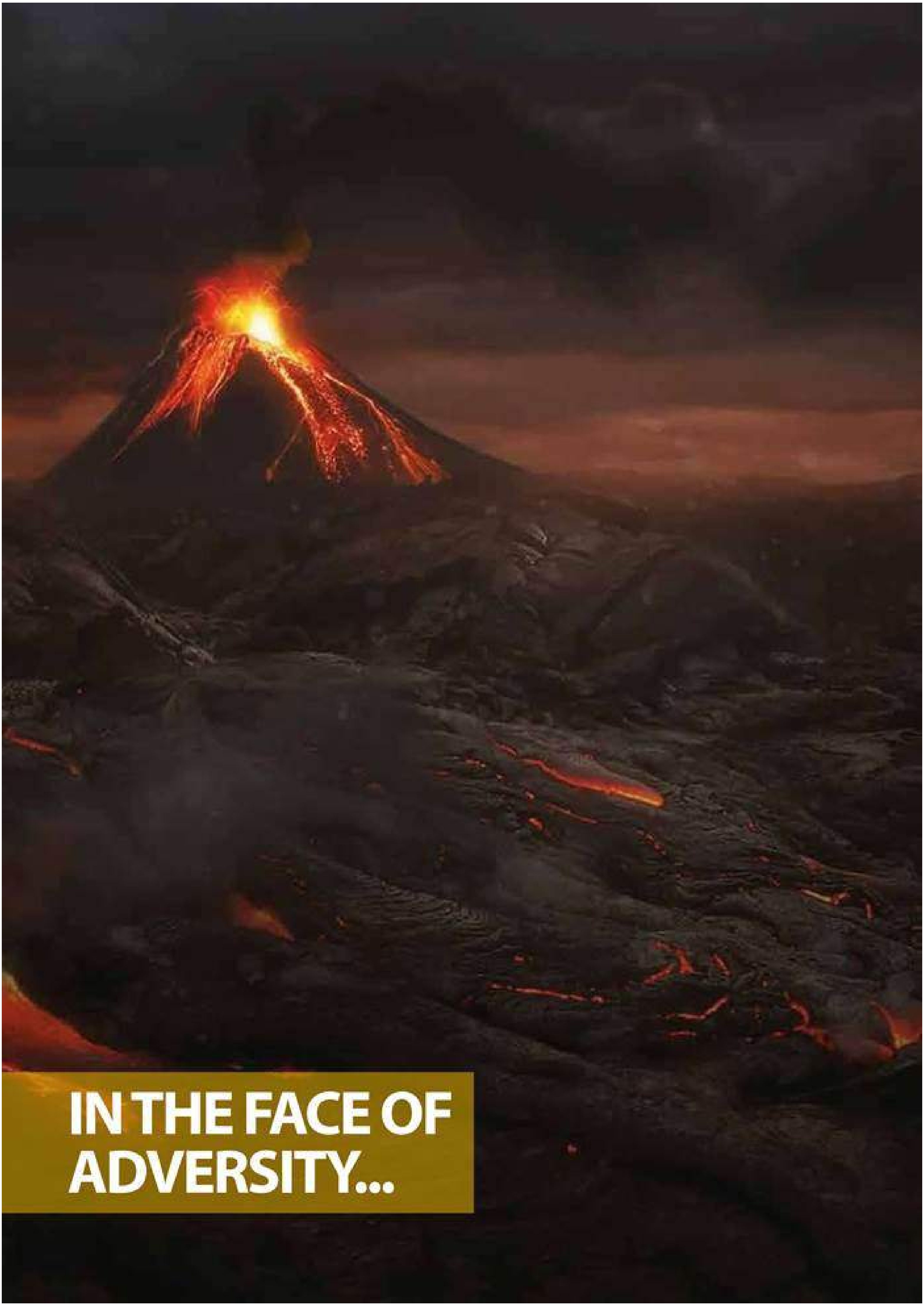
Regional Offices
1. Hyderabad
2. Sukkur
3. Multan
4. Lahore
5. Islamabad

Warehouses
1. Karachi
2. Lahore
3. Islamabad

Number Of Existing Retailers /Stockists

Sindh	128
Baluchistan	02
Punjab	58
Khyber Pakhtunkhwa	12
Total	**200**

Retailers/Stockist Network: The company has presence throughout the Country with Regional Offices , extensive Stockist / Retailers network at all strategic locations.



IN THE FACE OF ADVERSITY...

MANAGEMENT OBJECTIVES

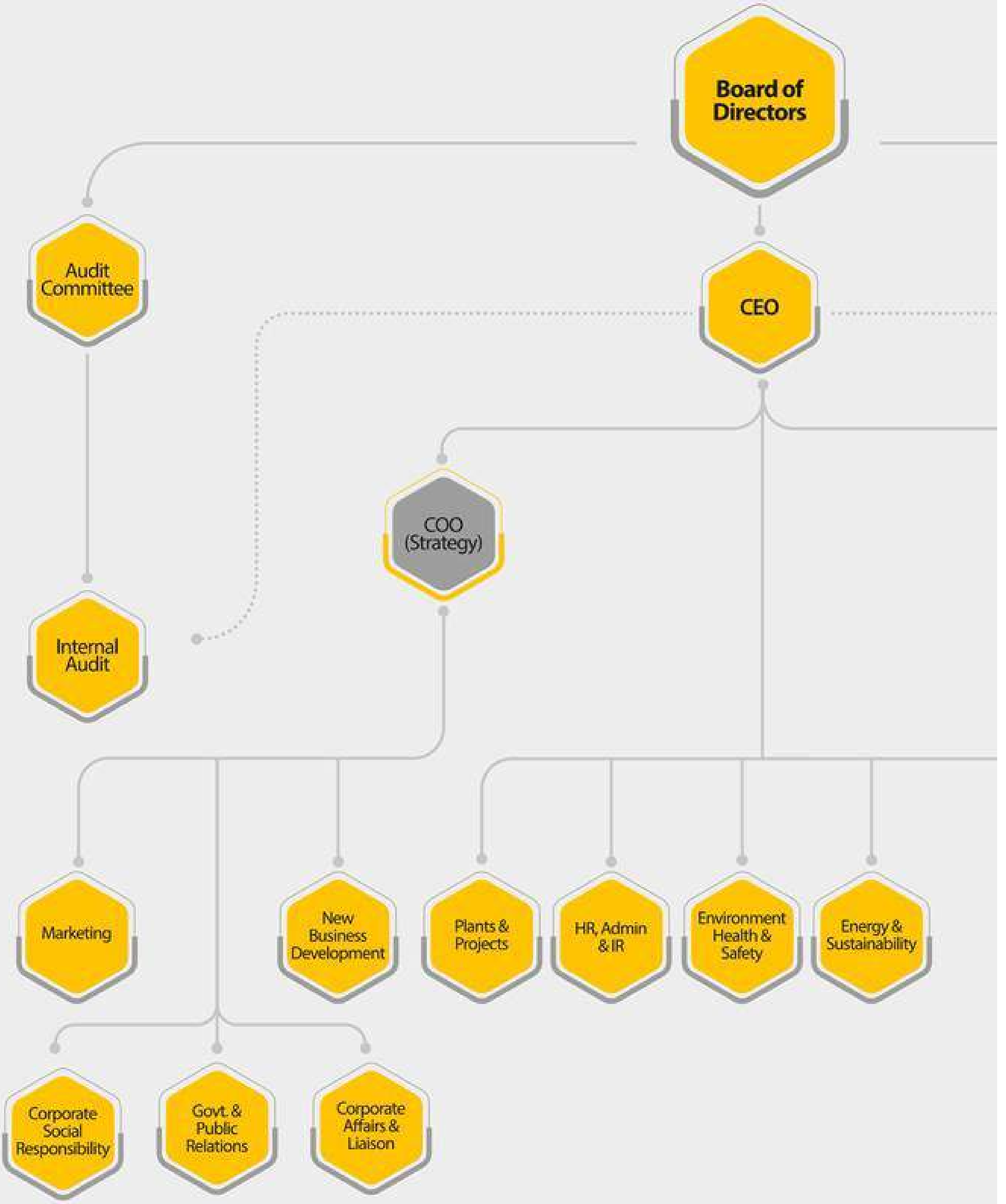
The objectives of the Company are aimed at achieving sustainable productivity, profitability, and high standards of safety, occupational health, and environmental care. This entails human resource development, value addition, the implementation of conservation measures, the up-gradation of existing facilities, and the installation of new facilities. The key objective of the Company's management is to sustain market leadership in Pakistan's steel industry and increase value for all the stakeholders. All the corporate goals are targeted towards this purpose, and the key performance indicators are defined to measure Amreli Steel's improved performance in all spheres of its operations.

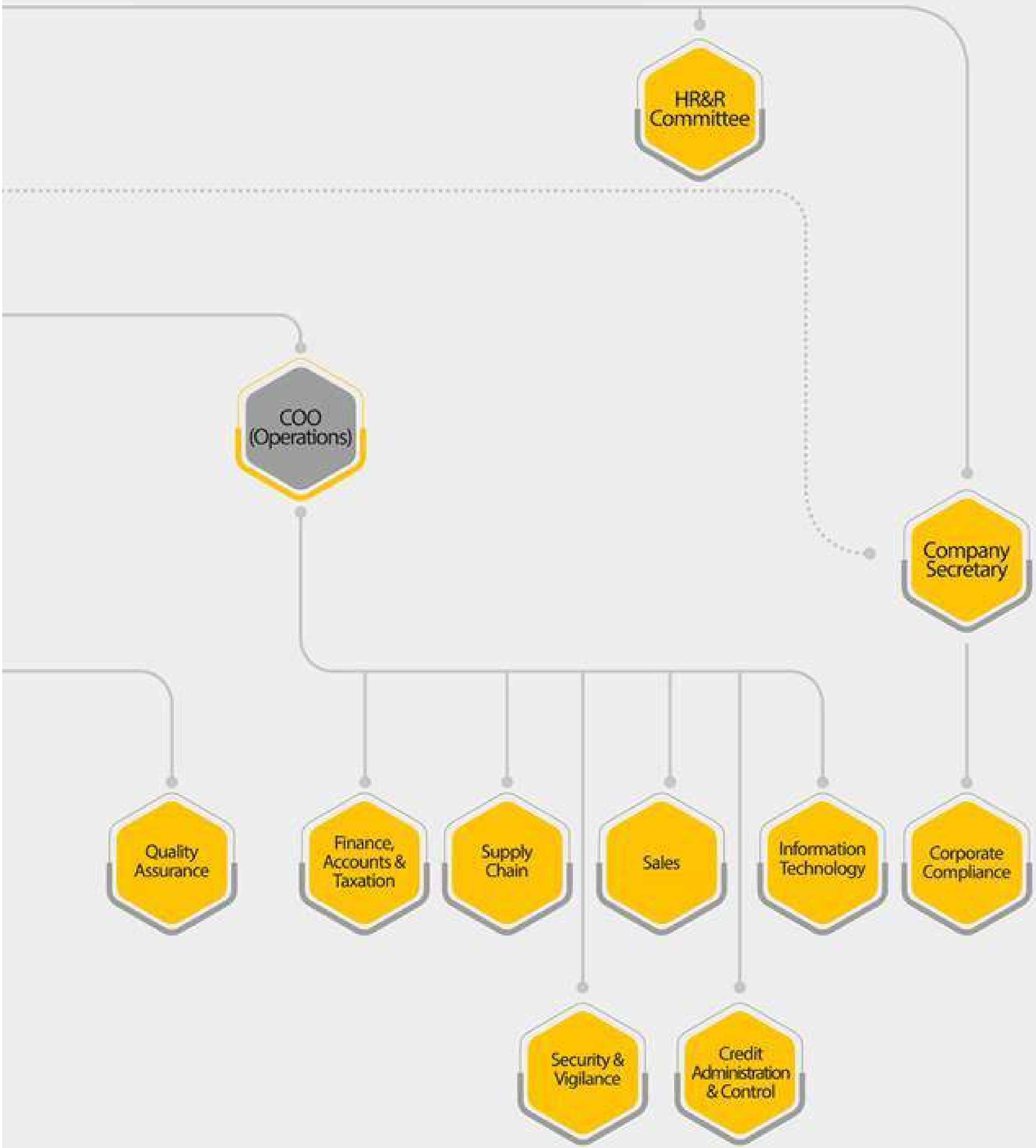
Maintaining our competitive position in the core business, aligned with corporate goals, making every employee a self-assessor with defined yearly targets and transparent measuring criteria, we employ our brand name, unique organizational culture, professional excellence, and financial strength, diversifying in local and multinational environments through acquisitions and new projects, thus achieving synergy towards value creation for our stakeholders. Furthermore, the Company also refines and improves its human resource policies regularly. The Company's financial performance and market leadership are a reflection of the achievement of its corporate goals through all-around strategic alignment.

Some of the most significant strategic objectives of the Company are outlined as under:

- Be the brand of choice for all stakeholders;
- Empower people;
- Continue to invest in state-of-the-art steel manufacturing and associated technologies;
- Achieve rebar sales in excess of 1.5 million tons annually;
- Attain the highest standards of health and safety;
- Ensure that business policies and targets are in conformity with the national goals;
- Contribute in meeting the country's demand for construction of steel products;
- Ensure customer satisfaction by providing best value, quality products and unmatched services;
- Target a reasonable return on the shareholders' existing and projected investments;
- To function at optimal efficiency in our business operations as a way to increase productivity;
- To introduce existing products into new markets and new products into new and existing markets;
- To have all products meet standards of excellence guidelines;
- To develop and implement a promotional plan to drive increased business;
- To develop the leadership abilities and potential of our team.

Organizational Structure




HR&R Committee
COO (Operations)
Company Secretary
Quality Assurance
Finance, Accounts & Taxation
Supply Chain
Sales
Information Technology
Corporate Compliance
Security & Vigilance
Credit Administration & Control

BOARD OF DIRECTORS' PROFILE

Abbas Akberali

Chairman
Non-Executive Director

Mr. Abbas Akberali founded Amreli Steels in 1972 and since then has led the Company to see it become the largest and most well-known steel bar manufacturer in Pakistan. Mr. Akberali brings unparalleled experience with a metallurgical engineering background combined with an MBA from Columbia University, New York. He has played an influential role in driving reforms aimed towards the growth of Pakistan's steel industry. With a passion for increasing Pakistan's literacy rate, Mr. Akberali is also a founding member of the Hunar Foundation and serves on the Board of other notable non-profit organizations.

Shayan Akberali

Chief Executive Officer

Mr. Shayan Akberali joined Amreli Steels in 2002 and over the past two decades he has played an integral role in growing the Company by overseeing production enhancement, technical development, planning and expanding the sales footprint of the Amreli brand across Pakistan. As the CEO of the largest rebar producing Company in Pakistan, Mr. Akberali's focus is on operational excellence with passion for developing the HR capital of the Company. He has built a strong team of professionals across all verticals that bring functional expertise as well as leadership to steer the Company towards higher growth.

Zafar Ahmed Taji

Independent Director

Mr. Zafar Ahmed Taji started his professional career in 1971 after completing MBA from IBA Karachi holding first position. Since then, he has spent more than 40 years with a number of multinational companies like Exxon Corporation, Union Carbide of USA and British American Tobacco/Pakistan Tobacco. During these assignments, he has headed the Finance, IT, and HR functions at various times. He has been a member of Prime Minister Pay and Pension Commission, Advisor to Pakistan Air Force, Advisor to Chairman PIA and Chairman PCB, HR Director of Interloop and Sapphire Group of Companies. He has also served as Dean of Riphah University and Director General of NUST Business School.

Mr. Taji is a certified Corporate Governance professional from PICG and a certified practitioner from Mentoring University of USA. During the last 15 years, he has invested most of his time and efforts towards becoming an effective "Leader of Change" wherein he has put extensive efforts for planning, creating, and implementing a totally new organizational transformation philosophy in a number of companies.

Badar Kazmi

Independent Director

Mr. Badar Kazmi brings an experience spanning over 35 years including almost all facets of the banking industry in Pakistan, Middle East, South Asia and Africa. He started his career with BCCI in 1980 and worked for 11 years in Pakistan and the Middle Eastern Region. Mr. Kazmi then joined Standard Chartered Group (SCB) in 1991 and held various positions including Regional Head of Global Markets for MESA (Middle East and South Asia) and Africa. In 2003, he was appointed as the CEO of SCB Pakistan, a position he held till late 2010. In recognition for his services to banking in Pakistan, Mr. Kazmi was awarded the 'Sitara-e-Imtiaz' by the President of Islamic Republic of Pakistan.

Teizoon Kisat

Independent Director

Mr. Teizoon Kisat is a Fellow Member of Institute of Chartered Accountants of Pakistan since 1986. He is also Associate Member of the Institute of Chartered Secretaries and Institute of Taxation & Management. Mr. Kisat possesses strong business and leadership record and has a deep understanding of business and financial sector of the Country. He has over 30 years of experience in Finance and Audit and has held many senior management positions in multiple business areas. During his 15 years association with ORIX Leasing Pakistan Limited (OLP), he represented his Company as Director locally and in overseas associated Companies. Mr. Kisat spearheaded many initiatives that demonstrated his leadership, problem solving skills and ability to manage a strong team. He held senior positions including CEO at OLP and Micro Finance Bank. Presently, he is heading a non-banking financial institution of a reputed Group. Mr. Kisat is also a certified Director.

Hadi Abbas Akberali

Executive Director &
Chief Operating Officer (Strategy)

Mr. Hadi Akberali brings a mix of technical, management, and leadership skills after graduating from Northwestern University, USA in Industrial Engineering and obtaining an MBA in Finance and Strategy from INSEAD, France. With over 16 years of experience in the steel industry, Mr. Hadi Akberali has been instrumental in the Company's success by spearheading the establishment of the billet manufacturing facility, implementing SAP across the organization, playing a key role in the Company's IPO, and strengthening the marketing function. As Chief Operating Officer (Strategy), Mr. Hadi Akberali serves on various management committees and leads the business diversification, industry affairs, and marketing functions.

Mariam Akberali

Non-Executive Director

Ms. Mariam Akberali brings great diversity to the Board with significant experience in the food, restaurant, mental health, and education sectors of Pakistan. She has earned a degree in Psychology from Franklin & Marshall College, USA and is passionate about social entrepreneurship in Pakistan.

COMPOSITION OF THE BOARD & REPRESENTATION OF FEMALE DIRECTORS

In line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG), the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

Total number of Directors:

a)	Male	: 06
b)	Female	: 01
	Total	: 07

Composition:

a)	Number of Independent Directors	: 03
b)	Number Non-Executive Directors	: 02
c)	Number of Executive Director	: 02

The present Board of Directors of the Company comprises of well-balanced mix of independent, non-executive and executive directors. The Chairman of the Board is non-executive director. The positions of the Chairman and the Chief Executive are held by separate individuals with clearly defined roles and responsibilities.

The Audit Committee and Human Resource and Remuneration Committee of the Board were established as required under CCG. Both the Committees have independent directors as the Chairman of the Committees. These committees are mainly composed of independent and non-executive directors.

Female Directors

The Company is committed to promoting gender diversity in the workplace and provides equal opportunities for all, based on merit and suitability. The Company's Code of Conduct and core values (Respect, Resilience, Integrity, Dynamism and Excellence) clearly inculcate these principles and are followed by everyone associated with the Company.

At Amreli, the Board and Management is committed towards championing growing demand of gender diversity at Board level and within workforce culture. Currently, there is one Female Non-Executive Director (Ms. Mariam Akberali) representing 14% of the composition of the Board.

The Management encourages females to be part of Company and provides healthy environment to all of its employees.

COMMITTEES TO THE BOARD OF DIRECTORS

BOARD'S AUDIT COMMITTEE (BAC)

During the year, six (6) meetings of the BAC were held. All the meetings were held in Pakistan.

The attendance by each Director in the BAC meetings is as follows:

Composition	Meetings Held						Meetings Attended
	16-Aug-22	15-Oct-22	25-Oct-22	24-Feb-23	27-Apr-23	19-May-23	
Mr. Teizoon Kisat *Chairman*	✓	✓	✓	✓	–	✓	5/6
Mr. Zafar Ahmed Taji *Member*	✓	✓	✓	✓	✓	✓	6/6
Mr. Badar Kazmi *Member*	✓	✓	✓	✓	✓	✓	6/6
Ms. Kinza Shayan* *Member*	✓	✓	✓	–	–	–	3/3

*Ms. Kinza Shayan resigned from the Directorship of the Company and her resignation was approved by the Board of Directors in their meeting held on 24 February 2023.

TERMS OF REFERENCE

The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process (more particularly, the integrity of Company's financial statements), the system of internal controls, the audit processes, disclosure of systems and processes, and the Company's process for monitoring compliance with laws, regulations and the Code of Conduct of the Company.

The Audit Committee is, amongst other things, responsible for recommending to the Board of Directors the appointment of external auditors by Company's shareholders and considers any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service (permissible to be rendered to the Company) in addition to audit of its financial statements.

In addition to the generality of the Audit Committee functions that embrace all aspects impinging on the well-being of the Company, shareholders' interests, ethical standards and regulatory requirements, the Committee shall perform the following specific responsibilities -

1. Financial Statements

The Committee shall review quarterly, half yearly and annual financial statements with particular reference to compliance with applicable accounting policies, standards and practices. It shall focus on major judgmental areas, significant adjustments resulting from audit, going concern assumption, any change in accounting policies and practices, significant related party transactions and compliance with all statutory and regulatory requirements. It shall also review preliminary announcements of financial results prior to their publication.

2. Internal Controls

The Committee shall review the Company's statement on internal control system before its submission to the Board and satisfy itself as to the adequacy and effectiveness of internal controls and measures to safeguard the Company's assets. Where necessary, it shall submit appropriate recommendations to the Board. It shall also consider major findings of internal investigations of cases of fraud, embezzlement and abuse of power.

3. Internal Audit

The Committee will ensure that the function is adequately resourced, functionally independent with no unreasonable limitations on its proper functioning and meets the quality assurance requirements, determined either through internal or external assessment. It shall review the audit reports, share them with the External Auditors and report matters of significance to the Board. Where it is decided to out-source the internal audit function, the Committee will recommend to the Board a professional services firm that has suitably qualified and experienced persons and is reasonably conversant with Company's policies and procedures.

4. External Audit

The Committee shall ensure requisite functional autonomy to the external auditors, review assessment of their quality assurance and facilitate their coordination with internal auditors of the Company. It shall review the Management Letter and discuss with the external auditors any major findings and observations therein and where appropriate submit its recommendations to the Board.

5. Risk Management

The Committee shall cause to have installed a viable risk management system in the Company and review assessment of risk and measures to avoid, share, mitigate and accept residual risks within the overall risk appetite determined by the Board.

6. Compliance

The Committee shall have a system installed to determine and monitor on a periodic basis, compliance with all legal and regulatory requirements and best practices of corporate governance. The CEO shall be personally responsible to bring to the immediate notice of the Committee findings of any examination by regulatory agencies, major litigations or claims or significant tax issues for Committee's review. Further, except where directed otherwise by the Board, the Committee shall guide, review and monitor the formulation of significant policies as defined in the Code of Corporate Governance. It shall also examine all significant issues as defined in the Code of Corporate Governance dealing with controls and compliance before their submission to the Board.

7. Reporting and Other Responsibilities

The Chairperson shall keep the Board fully informed on all material issues coming within the Committee's remit. The Committee shall act upon such directions as given by the Board and have such studies or investigations carried out as desired by the Board or that the Committee itself deems to be useful.

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

During the year, one (01) meeting of the HR&R Committee was held. The meeting was held in Pakistan. The attendance by each Director in the HR&R Committee meeting is as follows:

Composition	Meeting Held on 24-Oct-22	Meeting Attended
Mr. Zafar Ahmed Taji *Chairman*	✓	1/1
Mr. Teizoon Kisat *Member*	✓	1/1
Mr. Shayan Akberali *Member*	✓	1/1

TERMS OF REFERENCE

The HR&R Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by applicable corporate laws or stock exchange rules and requirements as are delegated to the Committee by the Board –

- Recommending human resources management policies to the Board;
- Recommending to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors) and members of senior management;
- Annually undertaking a formal process of evaluation of performance of the Board as a whole and its Committees either directly by the Board or the Committee(s) or by engaging external independent consultant;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) and succession planning of the CEO;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit;
- Considering and approving on recommendation of the CEO on such matters for key management positions who report directly to CEO or COO;
- Reviewing and making recommendations to the Board for the appointment of Senior Executives and for determining terms of employment of their services;
- Reviewing succession planning and matters of compensation as well as such other matters the Committee may consider suitable;
- Any additional matter delegated to the Committee by the Board of the Company from time to time.

MANAGEMENT COMMITTEES

Management Committees	Functions	Functions Frequency	Members	Designation
Price Setting Committee	1. Analyze demand and supply 2. Analyze movement in global and local scrap prices 3. Analyze change in exchange rates	As and when required	Shayan Akberali Mazhar Hussain Sheikh Fazal Ahmed	CEO Head of Sales COO-Operations
Human Resource Steering Committee	1. Oversee the Company's compensation and benefits policies generally 2. Evaluate employee's performance and review the Company's management succession plan 3. Hiring and disciplinary action policies 4. Assess departmental needs of human resource 5. Evaluate overall / function wise organogram of the Company	Monthly	Shayan Akberali Hadi Akberali Muhammad Yousuf Mehmood Noman Sajjad Mohsin Sadiq Fazal Ahmed	CEO COO – Strategy Acting Head of HR & Admin Group Head of Plants & Production Head of Marketing COO-Operations
Scrap Planning Committee	1. Obtaining sale forecast 2. Plan the production maintaining the optimum inventory level 3. Scrap Procurement planning	Monthly	Shayan Akberali Mazhar Hussain Sheikh Noman Sajjad Ashfaq Vighio Abdul Rehman Rao Danish Hassan Raj Khatri Arsalan-ur-rehman Taha Umer Fazal Ahmed	CEO Head of Sales Group Head of Plants & Production Head of Supply chain Senior Manager P&C Manager Stores & Spares Manager imports & commercial Manager inventory Management CFO COO-Operations
SAP Steering Committee	1. Design and implement SAP for new projects 2. Discuss issues faced and their solutions 3. Discuss possibilities of induction of new modules	Fortnightly	Javed Asgher Muhammad Yousuf Mehmood Ashfaq Vighio Saima Naveed Salman Ali khan Division Coordinators	Chief information Officer Acting Head of HR & Admin Head of supply chain Senior Manager IT Controller SAP FICO
IT Steering Committee	1. Prioritize IT-enabled investment 2. Monitor service levels of improvement 3. Monitor IT service delivery 4. Monitor projects	Monthly	Hadi Akberali Javed Asghar Taha Umer Muhammad Yousuf Mehmood Ashfaq Vighio Saima Naveed Syed Mohtashim Ali Rizvi Fazal Ahmed	COO-Strategy Chief Information officer CFO Acting Head of HR & Admin Head of supply chain Senior Manager IT Manager infrastructure & Support COO-Operations

SUSTAINABILITY AND GUIDING PRINCIPLES

Sustainability is an integral part of our business strategy and a key driver in all of our business activities. Our innovative technologies, operational experience and expertise enable us to minimize our environmental impact and successfully manage the social challenges and inherent risk that are present in our industry.

Our guiding principles for sustainability are as follows:

- Maintain highest degree of corporate governance practices;
- Conduct business activities with the highest principles of honesty, integrity, truthfulness and honor;
- Promote ethical business practices;
- Respect the environment and communities in which we operate;
- Assure equal employment opportunities;
- Value diversity in the workplace;
- Provide healthy and safe working environments;
- Respect human rights and trade ethically;
- Act in utmost good faith and exercise due care, diligence and integrity in performing the office duties;
- Comply with all applicable laws and regulations;
- Ensure that all business transactions are recorded in true, fair and timely fashion in accordance with the accounting and financial reporting standards, as applicable to the Company;
- Deliver superior value for our shareholders – our intent is to outperform our competitors by delivering superior growth, margins and returns to our shareholders;
- Lead the industry in innovation, technology development and conscientious stewardship of global resources – our intent is to develop technological solutions that give our customers economic access to high quality construction material with maximum use of scarce resources and maximize the value of their existing assets;
- Enhance the economic and social well-being of our employees, their families and the communities in which we operate – our intent is to be a preferred employer and make a positive impact in the communities where we live and work;
- Be transparent in reporting and validating our progress – our intent is to provide our stakeholders with thorough and timely information on our progress.

HEALTH, SAFETY AND ENVIRONMENT (HSE) POLICY

The Company is committed to developing, promoting and achieving the highest standard of HSE operations and it:

- Responds positively to environmental developments by reviewing such issues with the relevant authorities, local communities and others;
- Works effectively to encourage environmental awareness and identify and share best practices and new techniques to reduce environmental impact;
- Minimizes emissions and waste by evaluating operations and ensuring they are as efficient as possible;
- Reduces and where practical, eliminates hazardous and nuisance release to air, water and land;
- Inculcates sense of responsibility towards the environment among our employees;
- Periodically reviews the suitability, adequacy and effectiveness of the HSE management system;
- Educates, trains, encourages and motivates employees to carry out activities in a responsible manner in accordance with the requirements of generally accepted OHS & Environmental Management System;
- Applies technologies that are not harmful to our employees' health and are environment friendly;
- Sets objectives and targets, key performance indicators and programs for Occupational Health and Safety;
- Strives to prevent any accident and to achieve continual improvement of the HSE Management System and related performance;
- Consults with employees on matters affecting their health and safety.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

Amreli Steels has embraced a proactive stance towards business continuity and disaster recovery planning, ensuring alignment with its business strategy, industry best practices, and established standards and frameworks. This commitment is a testament to the organization's dedication to preserving the uninterrupted flow of IT driven business operations and safeguarding valuable information assets.

The infrastructure has been meticulously designed to ensure resilience in the event of potential disasters or interruptions, with high availability production facilities situated at state of art main data center complemented by synchronized DR servers located few kilometers away and connected through dark fiber replications. This proactive planning serves not only to safeguard the organization but also to instill confidence in customers, partners, and stakeholders, reaffirming the company's resilience in the face of any challenge.

The business continuity and disaster recovery plan includes the following key components:

- Policy Statement Development: Formulate a clear and concise policy statement that outlines the organization's commitment to business continuity planning.
- Business Impact Analysis (BIA): Conduct a comprehensive analysis to assess the potential impact of disruptions on the business, identifying critical functions and dependencies.
- Risk Mitigation and Preventive Controls: Identify and implement preventive measures to mitigate risks and prevent disruptions.
- Business Recovery Strategies: Develop strategies for swiftly recovering critical business functions and processes following a disaster.
- Communication and Stakeholder Engagement: Establish communication protocols for informing stakeholders, including employees, customers, partners, and regulatory authorities, during a crisis.

CORPORATE SOCIAL RESPONSIBILITY

Highlights:

LAUNCH OF AMRELI RAZAKAAR

AMRELI FOUNDATION REGISTRATION

TOTAL ORGANIC IMPRESSIONS LINKEDIN

142,000

Amreli Foundation

We are delighted to announce the successful registration of Amreli Foundation as a Section 42 licensed non-profit organization. Going forward, Amreli Foundation will oversee Amreli Steel's Corporate Social Responsibility (CSR) programs. We have streamlined our activities into four strategy areas, reflecting our dedication to enhancing Pakistan's socio-economic status:

- **Equitable Healthcare**
- **Youth Empowerment**
- **Inclusive Society**
- **Resilient Nature**

Amreli Razakaar Program:

At Amreli Steels, we believe in the power of collective impact and the strength of our employees' commitment to making a positive difference in our communities. In 2022, we are thrilled to launch Amreli's flagship employee volunteer program: Amreli Razakaar. This program is a reflection of our core values, encouraging and empowering our employees to become agents of change. Through Amreli Razakaar, we aim to create meaningful opportunities for our employees to contribute their time, skills, and compassion towards various social causes. Whether it's supporting local charities, engaging in environmental initiatives, or assisting in community projects, we are excited to witness the positive impact our employees will create. Together, we can foster a culture of giving back and create a lasting legacy of compassion and service.

- **3 Events organized**
- **108 Razakaars**
- **1,200 Amreli Razakaar hours clocked**
- **80% overall satisfaction rate**

Flood Relief Campaign

As the largest steel rebar manufacturer in Pakistan, we understand the importance of standing together in times of crisis. In the face of the devastating floods last year, Amreli Steels set up a Flood Relief Fund, combining employees' and the donations, which were used to mobilize resources and teams to reach out to the affected regions with immediate relief and support. 38 employees devoted their time to assemble and distribute critical ration supplies and medical relief to 1,000 families in Mirpurkhas, standing firmly by our commitment to social responsibility and compassionate action.

I Equitable Healthcare:

Our mission is to bridge the healthcare gap and ensure that every individual, regardless of their socio-economic background, has access to quality medical services and treatment. Through strategic partnerships and community-driven initiatives, Amreli Foundation strives to build a healthier and more inclusive society, where no one is left behind.

1. **Shaukat Khanum**

   Amreli Steels Foundation donated steel rebars for the construction of Shaukat Khanum Memorial Cancer Hospital and Research Centre (SKMCH&RC) at DHA City, Superhighway, Karachi. It will be the largest tertiary care centre in Pakistan, with state-of-the art cancer diagnosis and treatment facilities available under one roof like PET-MR system which is a ~first for Pakistan and is the latest form of Hybrid Imaging Technology. The impact of Amreli Steels' contribution to SKMCH&RC Karachi extends to entire Sindh and Southern Baluchistan as SKMCH, Karachi will bring the best possible cancer care closer to the patients at these locations.

2. **Indus Hospital and Health Network**

   Indus Hospital and Health Network's new project is poised to be one of the largest tertiary care hospitals in Pakistan. Amreli Foundation strongly supports IHHN's vision to provide free quality healthcare to all Pakistanis, and to that end, we have sponsored the Adults Accidents and Emergency Department which is set to cater more than 700,000 patients per annum.

II Youth Empowerment:

According to UNESCO, Pakistan has the world's second-highest number of out-of-school children (OOSC) with an estimated 22.8 million children aged 5-16 not attending school. Poverty, cultural norms, and the lack of infrastructure contribute to low enrollment rates and high dropout rates. Amreli Foundation believes investing in our youth is the key to improving Pakistan's economic conditions and ultimately its success.

1. **The Citizens' Foundation (TCF), Akberali Campus**

   Amreli Foundation and The Citizens' Foundation (TCF) have partnered to run a primary school, Akberali Campus, in rural Achaar Salaar Goth, Dhabeji. Prior to establishing Akberali Campus, there was no school in the vicinity; to date, more than 2,000 students have received quality education at the Akberali Campus. Akberali Campus also boasted a gender equal ratio of students, a feat that is rare in rural areas of Sindh. Amreli Foundation has also installed solar panels at the TCF Akberali campus thereby reducing the school's dependency on fossil fuels.

2. **Namal Institute**

   Amreli Foundation firmly believes in supporting students in receiving higher education regardless of their financial backgrounds. To this end, Amreli Foundation is proud to sponsor 10 talented students at Namal University in completing their Computer Science degrees. To complement their studies, Amreli Foundation arranged a virtual 4-week internship for these students with Amreli Steels' IT department to gain valuable work experience and apply their knowledge in real-world applications.

3. **Hunar Foundation**

   Mr. Abbas Akberali is one of the founding members and trustees of The Hunar Foundation. THF has grown exponentially since 2008, thanks to its focus on highly technical skills and state-of-the-art learning. This year we sponsored 33 students to pursue their vocational training.

III Inclusive Communities

Amreli Foundation is committed to empowering marginalized communities and fostering social inclusion across the nation. Through community engagement, we work tirelessly to uplift the underprivileged and marginalized, breaking down barriers that hinder progress. Together, let's create an inclusive Pakistan where everyone's voice is heard, and every dream can flourish.

1. **Dhabeji Women's Industrial Home**

   Amreli Foundation runs the Dhabeji Women's Industrial Home in Dhabeji Town, a vocational centre advocating female empowerment through upskilling. Starting with a handful of women in its first year, the facility now consistently trains approximately 200 women each year in sewing and stitching skills. Over time, the Industrial Home has become a hub for women, serving as a safe space where they can gather, learn, and socialise.

2. **Khana Ghar**

   Khana Ghar's mission is to offer affordable food to those in need. Parveen Saeed, known as the "3 Rupee Lady" in international media because she charges only PKR 3 per person for meals, has been operating Khana Ghar for over 15 years. The establishment provides two daily meals to more than 4,000 people in Karachi. Amreli Foundation has been funding Parveen Saeed's admirable endeavour to ensure that over 500,000 meals are served each year.

THE AMRELI LEGACY

Our story started in 1972, when the Akberali family fled 'East Pakistan' during the 1971 war, leaving behind 20 steel manufacturing facilities to settle in Karachi and start all over again. This is when Amreli Steels was established as a basic hand operated steel mill to make various steel products for fabrication and construction. The founders decided to name the company after their birthplace, a small town in the province of Gujrat in India called 'Amreli'.

In the last 5 decades, Amreli Steels has relentlessly pursued innovation and technology to pioneer standards and products that continuously raise the standard for the entire industry. Through the ever changing landscape of Pakistan's recessions, growth, strife and solidarity, Amreli has ploughed on to become one of Pakistan's largest steel manufacturers. Our offices and warehouses across the country enable us to serve our customers no matter where their dreams and ambitions may lie.

Today, we strive harder every day to give SOLID foundations to the homes of millions of people; being a brand of choice for the most complicated structures and architectural designs; being chosen to strengthen projects that will serve our country and our future generations. Our story is one of belief, resilience and unyielding ethical standards.

The success of Amreli Steels Limited, as a market leader in Pakistan's steel industry and recognized for its superior quality products, can be attributed to many factors. An appetite for taking calculated risk and bold decisions has enabled the company to continuously grow and maintain quality leadership in the market. The resolve to invest in the best talent and HR practices has been pivotal in transforming the company from a family dominated organization in the 1990s to one where meritocracy, governance and transparency comes first. With a legacy of 50 years, the management knows how to operate a capital intensive business in a highly volatile environment – surviving the recessions and making the most of the upturns.

Investing in technology has always been a cornerstone of Amreli's operating philosophy. Over the past 50 years we have brought in the latest manufacturing technology to continuously improve product quality and competitiveness. As a result, Amreli has always been a pioneer in the building materials landscape, the first rebar to comply with American and British standards, first earthquake resistant rebar, first ultra-high strength rebar. Today, Amreli has expanded to three manufacturing plants that boast the largest capacity of billet and rebar in Pakistan - with an installed (nameplate) capacity of 605,000 metric tons of rebars & 600,000 metric tons of billets. With a surge in capacity, sales, manpower and locations, it became imperative to be a more data driven company. In 2015, Amreli was the first company in the sector to implement SAP across the organization for visibility and data driven decision making.

Strong demand for our brand inspired us to build Pakistan's largest and most technologically advanced steel rebar facility, which we commissioned in 2018. To fund this project, we raised equity through the PSX to ensure financial sustainability in a country where downturns are always around the corner. This project was spearheaded by our current CEO, Mr. Shayan Akberali, and the sales growth thereon was phenomenal, making Amreli Steels available across the country in rural and urban areas.

A lot of people wonder where Amreli Steels is headed over the next 50 years. We are committed to the building materials and metals space, which is evolving and is a huge industry with a myriad of products and applications. We have already taken a first step in setting up an aluminum ingot manufacturing facility. We believe this is a first step in the non-ferrous segment that has a lot of potential to grow in the future. Competitiveness is always a top agenda for our planning and in this regard, energy is not only a major input cost in our manufacturing process but a place that Pakistan highly lacks competitiveness. We are always searching for solutions that can provide cheaper and greener energy. Coupling such initiatives with the experience we've gained over the past 50 years, we are looking to transform from a national company to a global company over the next half century.

HUMAN RESOURCE

Our Vision "Committed to strengthen the Economy and Society" affirms our gratitude towards our people's invaluable contributions which have earned us the prestige as the industry leader across the country. Driven by our Mission – "Be the Brand of Choice for all stakeholders" and "Empower People", Amreli Steels takes pride in attracting, developing and retaining talented individuals who bring out the best by capitalizing on our best in-class work environment and state-of-the-art technologies.

Our Values At Work – OUR-RIDE

At Amreli Steels, our organizational values – Respect, Resilience, Integrity, Dynamism and Excellence are at the core of our daily business and operations. Our life at Amreli Steels revolves around our values making every one of us one family. Translating these values into executable initiatives drives a true sense of belongingness and enablement in our people.

Enabling And Rewarding Culture

We are proud of our Company's enabling culture that provides flexible work schedules, reciprocates good performance, promotes team cohesiveness and welcomes new ideas and initiatives.

Flexible & Hybrid Working Options:

We provide our employees with flexible and hybrid work schedules to opt as per their own preferences. These options have instilled and boosted employee empowerment as well as their productivity levels.

Performance Based Culture: Our "Objective based Performance Management System" is taking shape and moving towards best industry practices. It aims at delivering the optimum business results that creates real value for all stakeholders.

Reward & Recognition: The good performing employees are recognized through a system of rewards that is based on both instantaneous and long-term rewards and benefits, such as, Rising Star Program, Career Merit Points etc.

Room for New Ideas' Implementation: Our team is provided with all necessary means to achieve the business objectives and limitless opportunities to pursue new challenges.

Brush-Up & Shine

Amreli Steels Limited is committed to develop a learning culture which helps employees unleash their full potential and supports their professional as well as personal development. While an intensified focus has remained with on-job and in-house learning and training opportunities, Management is also planning to utilize external resources with customized training programs for the development of our employees. All in all 4,453 hours of training have been invested during this year.

Capitalizing On The Technological Landscape

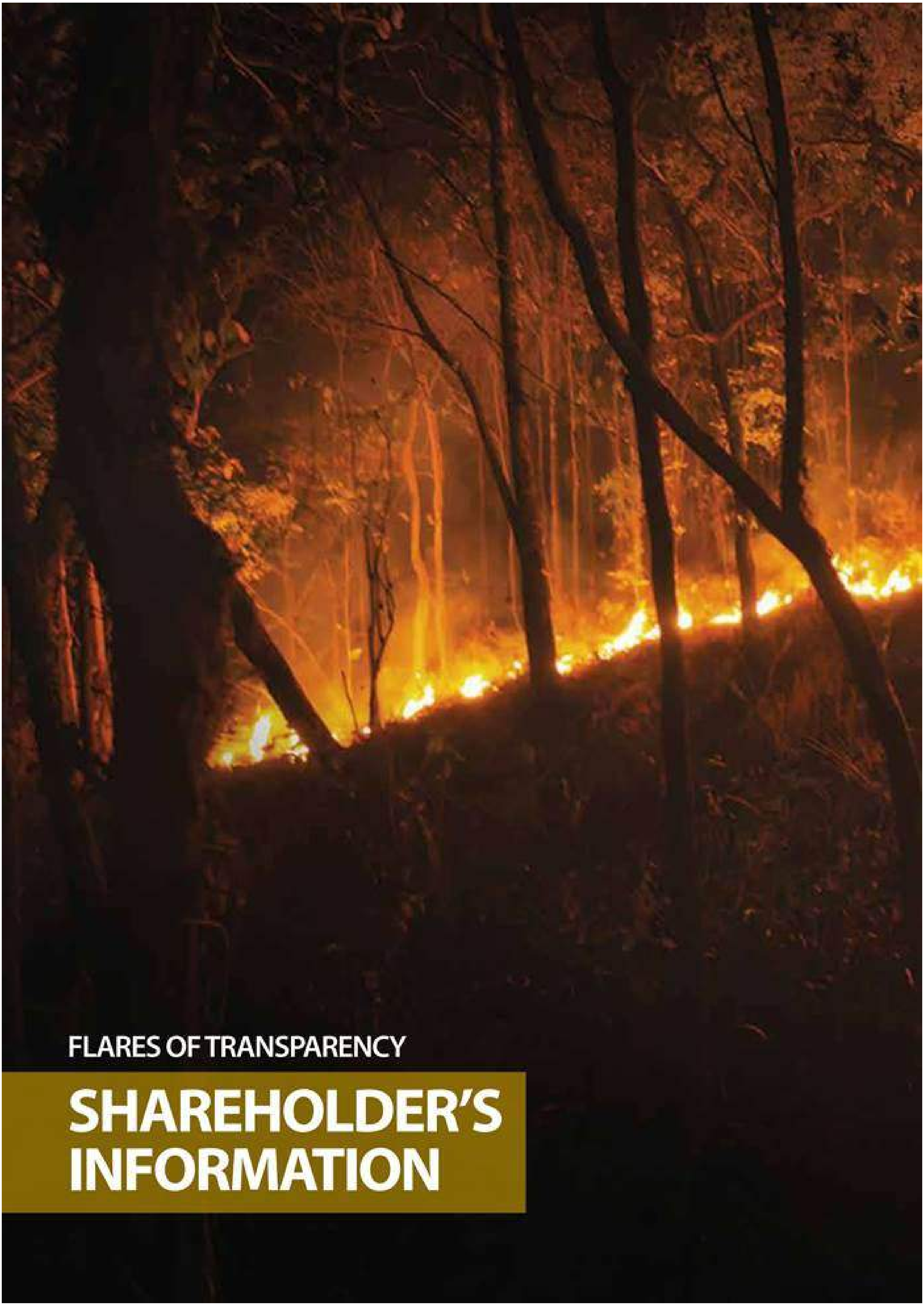
Amreli Steels is a tech-savvy organization as it believes in adapting the best in-class technological platforms not only to make everyday business easier but also to ensure data-driven decisions as well as to promote transparency and accuracy in daily operations. Alongside having state-of-the-art production facility, Amreli Steels has been committed to consistently and gradually transform manual systems into digitalization and automation within all the support functions. In this pursuit, HR has been capitalizing on SAP, SAP Success Factors' Recruitment Module, PMGM Module, SharePoint etc., while moving on to more latest technologies further.

Staying Ahead Of The Curve

In order to stay ahead of the curve, benchmark studies and surveys have now become imperative for us. Staying conversant with market trends, through frequent formal and informal market surveys across the industry ensures our readiness to align our future orientation to foresee and introduce new policies, schemes and systems for the employees.

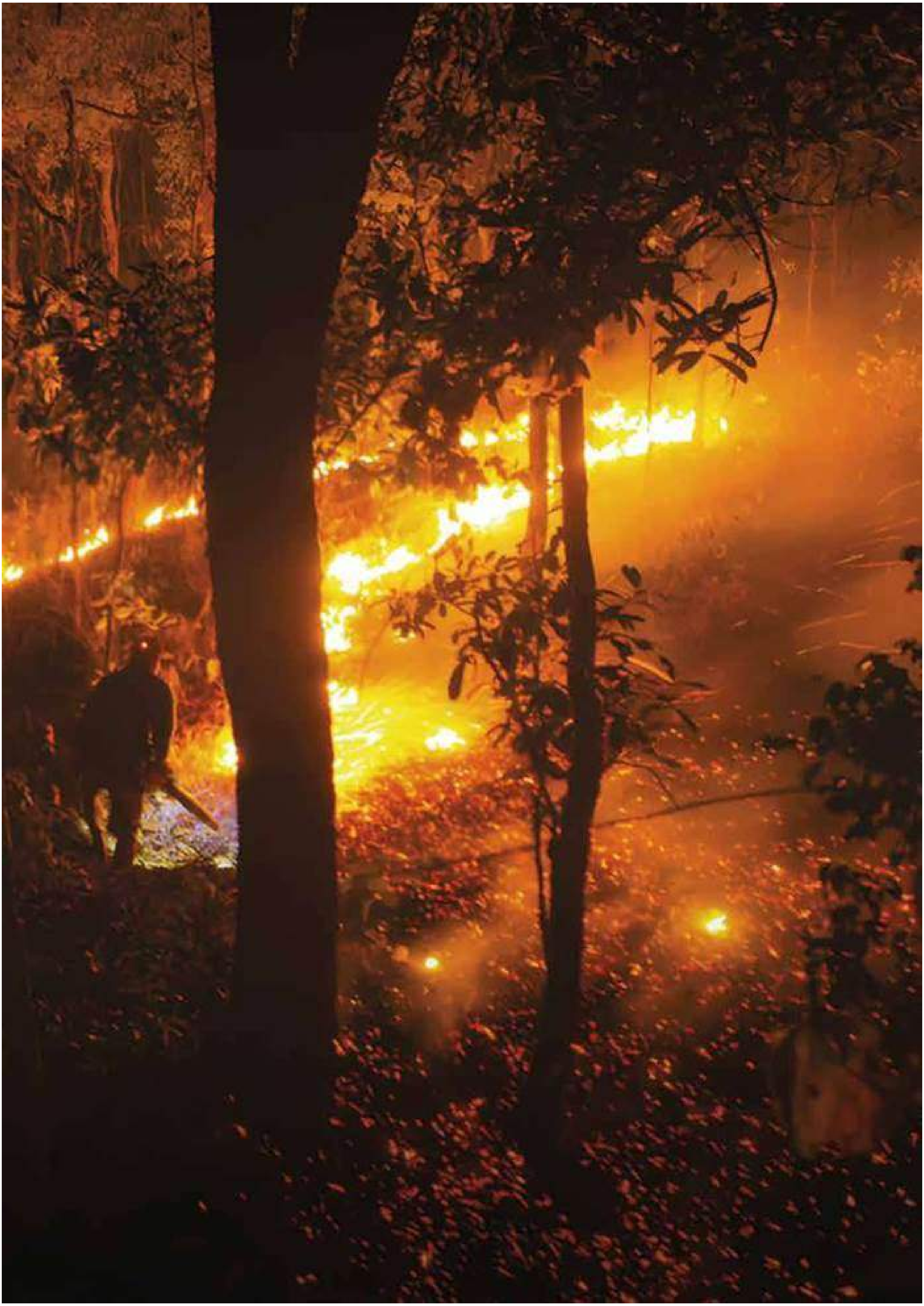

CHAMPIONS


INDEPENDENCE DAY
INDEPENDENCE DAY



FLARES OF TRANSPARENCY

SHAREHOLDER'S INFORMATION



NOTICE OF THE 39th ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting (AGM) of the shareholders of Amreli Steels Limited (the Company) will be held on Tuesday, 24 October 2023 at 03:00 p.m. at Auditorium Hall of the Institute of Chartered Accountants of Pakistan (ICAP) located at Block - 8, Chartered Accountants Avenue, Clifton, Karachi to transact the following businesses. The shareholders can also attend the AGM via video link facility.

Ordinary Business:

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended 30 June 2023, together with the Directors' and Auditors' reports thereon.

   As required under section 223(7) of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated 21 March 2023 issued by the Securities and Exchange Commission of Pakistan (SECP), the annual report of the Company for the financial year ended 30 June 2023 has been uploaded on the Company's website which can be downloaded accessing the following link and QR Code:

   https://amrelisteels.com/investor-relations/#investor-information

   Scan to Download

2. To appoint auditors of the Company for the financial year ending 30 June 2024 and to fix their remuneration.The Board of Directors, on the recommendation of the Audit Committee of the Company, has proposed appointment of M/s. BDO Ebrahim & Co. Chartered Accountants as the external auditors in place of retiring auditors M/s. EY Ford Rhodes, Chartered Accountants for the year ending 30 June 2024.

Any Other Business:

3. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board

ADNAN ABDUL GHAFFAR
Company Secretary

Date: 02 October 2023
Place: Karachi

Notes:

1. Participation in the AGM Proceeding via Video Link Facility:

The Company also facilitates participation of its shareholders through a video link facility in pursuance to Circulars notified by the SECP. The members/proxies interested to participate in the AGM through this facility are requested to share below information at investor-relations@amrelisteels.com with subject "Registration for 39th AGM of Amreli Steels Limited"–

Shareholder Name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address

Video-link and login credentials will be shared with the members/proxies whose email containing all the above particulars are received at the given email address by the close of business on or before 20 October 2023.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 17 October 2023 to 24 October 2023 (both days inclusive). Transfers received in order by our Share Registrar, M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial, Street-2, D.H.A., Phase-VII, Karachi-75500, Pakistan by the close of business on 16 October 2023 will be considered in time for attending the meeting.

3. Appointment of Proxies:

i. A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.

ii. The instrument appointing proxy and the power of attorney or other authority, under which it is signed, or a notarized certified copy of the power or authority must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy is enclosed.

iii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iv. In case of individual, the account holder or sub-account holder shall furnish the attested copies of CNIC or the passport of the member and the proxy, along with the proxy form.

v. Corporate entities shall submit the Board of Directors' resolution/Power of Attorney, with specimen signature, along with the proxy form.

4. Attending the Annual General Meeting:

i. In case of individual, whether physical shareholder or the account holder or sub-account holder at Central Depository Company (CDC), shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.

ii. The proxy shall also produce his/her original CNIC or original passport at the time of meeting.

iii. Members registered on CDC are also requested to bring their account details with the CDC.

iv. In case of a corporate entity, the Board of Directors' resolution/Power of Attorney, with specimen signature of the nominee, shall be produced at the time of the meeting (unless it has been provided earlier).

5. Change in Members Addresses:

Members are requested to notify any change in their addresses immediately to the Share Registrar M/s. THK Associates (Pvt.) Limited.

6. Availability of Financial Statements and Reports on the Website:

The Annual Report of the Company for the year ended 30 June 2023 has been placed on the Company's website www.amrelisteels.com.

7. Electronic Circulation of Annual Financial Statements for the year ended 30 June 2023:

The Annual Report 2023 and notice of AGM are being circulated electronically via email to all those shareholders whose email addresses are available with the CDC or the Share Registrar of the Company. In case of remaining shareholders, whose email addresses are not available, a printed copy of notice of AGM containing QR enabled code and weblink to access and download Annual Report 2023, has been dispatched on their registered addresses, as allowed by the SECP vide its S.R.O. 389(I)/2023 dated 21 March 2023 and as approved by the shareholders in the Extraordinary General Meeting of the Company held on 24 June 2023.

However, if a shareholder, requests for a hard copy of the annual audited financial statements, the same shall be provided free of cost within seven (07) days of receipt of such request as per Section 235 of the Companies Act, 2017. For the convenience of shareholders a "Standard Request Form for provision of annual audited accounts" has also been made available at the Company's website www.amrelisteels.com.

8. Consent for Video Conference Facility:

In compliance with Section 134(1) (b) of the Companies Act, 2017, members of the Company may attend and participate in the AGM through video conference facility, if member(s) residing in a city other than Karachi, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference at least ten (10) days prior to the date of the AGM.

To avail such facility, please submit the following form with the requisite information at the Registered Office of the Company –

I/We ____________________ of ____________________ being a member of Amreli Steels limited, holder of ____________________ ordinary shares(s) as per Registered Folio/CDC Account No. ____________________ hereby opt for video conference facility at ____________________ to attend the AGM.

____
Name and Signature (s)

Date: ____________________

The Company will intimate members regarding venue of video conference facility at least five (05) days before the date of the AGM along with complete information necessary to enable them to access such facility.

SPECIAL NOTICES TO THE SHAREHOLDERS:

A. Unclaimed Dividends (Important and Mandatory):

Shareholders, who by any reason, could not claim their dividend are advised to contact our Shares Registrar to collect / enquire about their unclaimed dividends, if any. Please note that any dividend unclaimed for more than three years shall be deposited with the Federal Government under section 244(2) of the Companies Act, 2017.

The shareholders are hereby given a notice to claim any of their dividend within 90 days hereof i.e. latest by 31 December 2023, thereafter the Company shall proceed with depositing the unclaimed dividend amount with the Federal Government as per the requirements of section 244 of the Companies Act, 2017.

Claim form is annexed with the Annual Report 2023 and also available on the Company's website www.amrelisteels.com.

B. 5th Reminder to the shareholders for submission of bank account details/IBAN (E-Dividend):

As per Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are once again requested to update their bank accounts details (i.e. title of account, complete bank account number (i.e. 24 digit IBAN), complete mailing address of the bank, name of the bank, folio number, mobile number and email address) for payment of any future cash dividend through electronic mode.

In case of physical shares, please provide bank account details to our Share Registrar, M/s. THK Associates (Pvt.) Limited. Please ensure an early update of your particulars to avoid any inconvenience in future.

C. 2nd Reminder for conversion of physical shares into Book-Entry Form:

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No.CSD/ED/Misc./2016-639-640 dated 26 March 2021, listed companies are required to replace existing physical shares issued by them into Book-Entry Form. In view of the above requirement, shareholders of the Company having physical folios/ share certificates are requested to convert their shares from physical form into Book-Entry Form as soon as possible.

Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy & safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-Entry Form.

For any query/problem/information, members may contact our Share Registrar at the following address:

THK Associates (Pvt) Ltd
Plot No. 32-C, Jami Commercial, Street-2,
D.H.A., Phase-VII, Karachi-75500, Pakistan
UAN No: (021) 111-000-322
Email: sfc@thk.com.pk

خصوصی نوٹس برائے شیئر ہولڈرز:

الف۔ غیر دعویٰ شدہ ڈیویڈنڈ: (اہم اور لازمی)

شیئر ہولڈرز، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکے، ان سے گزارش ہے کہ وہ ہمارے شیئرز رجسٹرار سے رابطہ کریں تا کہ وہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ کے بارے میں معلومات حاصل کریں، اگر کوئی ہو۔ براہ کرم نوٹ فرمالیجئے کہ کمپنیز ایکٹ 2017 کے سیکشن (2)244 کے تحت تین سال سے زائد غیر دعویٰ شدہ ڈیویڈنڈ وفاقی حکومت کے پاس جمع کر دیے جاتے ہیں۔

حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ نوٹس ہذا کے 90 دنوں کے اندر یعنی 31 دسمبر 2023 تک اپنے غیر دعویٰ شدہ ڈیویڈنڈ (اگر کوئی ہے) کا دعویٰ کر لیں، بصورت دیگر کمپنیز ایکٹ، 2017 کے سیکشن 244 کے تقاضوں کے مطابق کمپنی کی جانب سے کاروائی عمل میں لاتے ہوئے غیر دعویٰ شدہ ڈیویڈنڈ کی رقوم وفاقی حکومت کے پاس جمع کروا سکتی ہے۔

دعویٰ فارم سالانہ رپورٹ 2023 کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ www.amrelisteels.com پر بھی دستیاب ہے۔

ب۔ پانچویں یاددہانی برائے شیئر ہولڈرز بابت بینک اکاؤنٹ تفصیلات/آئی بی اے این (ای - ڈیویڈنڈ):

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق، بصورت نقد قابل ادائیگی ڈیویڈنڈ صرف الیکٹرانک ذرائع سے حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ہی بھیجا جائے گا۔ لہٰذا، بذریعہ نوٹس ہذا، تمام شیئر ہولڈرز سے ایک بار پھر اپنے بینک اکاؤنٹس (یعنی اکاؤنٹ کا عنوان، مکمل بینک اکاؤنٹ نمبر-24 ہندسوں کا IBAN)، بینک کا مکمل میلنگ ایڈریس، بینک کا نام، فولیو نمبر، اور موبائل نمبر اور ای میل ایڈریس کی تجدید کی درخواست کی جاتی ہے) تاکہ الیکٹرانک ذرائع سے مستقبل میں نقد ڈیویڈنڈ کی ادائیگی کی جا سکے۔

فزیکل شیئرز کی صورت میں، براہ کرم ہمارے شیئرز رجسٹرار، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو اپنے بینک اکاؤنٹ کی تفصیلات فراہم کر دیجئے۔ براہ کرم مستقبل میں کسی بھی قسم کی زحمت سے بچنے کے لیے اپنی تفصیلات کی جلد از جلد تجدید کو یقینی بنائیں۔

ج۔ دوسری یاددہانی بابت فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا:

کمپنیز ایکٹ 2017 کے سیکشن 72 اور ایس ای سی پی کے لیٹر نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کی رو سے تمام لسٹڈ کمپنیوں پر لازم ہے کہ اپنے موجودہ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں۔ لہٰذا فزیکل فولیو/شیئر سرٹیفکیٹ رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل شکل سے جلد از جلد بک انٹری فارم میں تبدیل کروالیں۔

فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے سے حصص یافتگان کو کئی طریقوں سے سہولت فراہم ہو جائے گی جیسا کہ حصص کی محفوظ تحویل، فوری فروخت اور حصص کی خریداری کے لیے آسانی سے دستیاب مارکیٹ، گم ہونے اور ضائع ہونے کے خطرات کا خاتمہ، اور فزیکل شیئرز کے مقابلے میں کم از کم رسمی کارروائیوں کے ساتھ آسان اور محفوظ منتقلی۔ فزیکل حصص کو بک انٹری کی صورت میں منتقل کرنے کیلئے کمپنی کے شیئر ہولڈرز کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

کسی بھی سوال/مسئلہ/معلومات کے لیے ممبران درج ذیل پتے پر ہمارے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

پلاٹ نمبر C-32، جامی کمرشل، اسٹریٹ-2،

ڈی ایچ اے، فیز VII، کراچی-75500، پاکستان

UAN نمبر: 322-000-111 (021)

ای میل sfc@thk.com.pk

6۔ویب سائٹ پر مالی دستاویزات اور رپورٹس کی دستیابی:

مورخہ 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کی سالانہ رپورٹ کمپنی کی ویب سائٹ www.amrelisteels.com پر فراہم کردی گئی ہے۔

7۔مورخہ 30 جون 2023 کو ختم ہونے والے سال کے سالانہ مالیاتی گوشواروں کی الیکٹرانک سرکولیشن:

سالانہ رپورٹ 2023 اور سالانہ اجلاس عام (AGM) کے نوٹس کو الیکٹرانک طور پر ای میل کے ذریعے ان تمام شیئر ہولڈرز کو بھیجا جارہا ہے جن کے ای میل ایڈریس سی ڈی سی (CDC) یا کمپنی کے شیئر رجسٹرار کے پاس دستیاب ہیں۔ بصورت دیگر شیئر ہولڈرز جن کے ای میل ایڈریسز دستیاب نہیں ہیں، ان کے رجسٹرڈ پتے پر بھیجے گئے سالانہ اجلاس عام (AGM) کے نوٹس کی ایک پرنٹ شدہ کاپی معہ فعال QR کوڈ اور ویب لنک ارسال کئے جا چکے ہیں جن کے ذریعے وہ سالانہ رپورٹ 2023 تک رسائی حاصل کرسکتے ہیں اور انھیں ڈاؤن لوڈ بھی کرسکتے ہیں، جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بحوالہ ایس آر او 389(I)/2023 مورخہ 21 مارچ 2023 میں اجازت دی گئی ہے نیز 24 جون 2023 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام میں شیئر ہولڈرز کی طرف سے منظوری بھی حاصل کرلی گئی تھی۔

تاہم، اگر کوئی شیئر ہولڈر، سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی کی درخواست کرتا ہے، تو کمپنیز ایکٹ، 2017 کے سیکشن 235 کے مطابق ایسی درخواست کی وصولی کے سات (07) دنوں کے اندر اندر ایسے ممبر کو مفت کاپی فراہم کردی جائے گی۔ شیئر ہولڈرز کی سہولت کے لیے کمپنی کی ویب سائٹ www.amrelisteels.com پر "سالانہ آڈٹ شدہ اکاؤنٹس کی فراہمی کے لیے مقررہ درخواست فارم" بھی دستیاب کردیا گیا ہے۔

8۔ویڈیو کانفرنس کی سہولت کے لیے رضامندی:

کمپنیز ایکٹ 2017 کے سیکشن (b)(1)134 کے تحت کمپنی کے ممبران ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاس عام (AGM) میں شرکت کرسکتے ہیں اور اگر ممبران کراچی کے علاوہ کسی اور شہر میں مقیم ہوں اور اجتماعی طور پر 10 فیصد یا زیادہ شیئر ہولڈنگ کے حامل ہوں تو سالانہ اجلاس عام کے آغاز سے کم از کم دس (10) دن پہلے ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کا تحریری مطالبہ جمع کروادیں۔

اس طرح کی سہولت حاصل کرنے کے لیے، براہ کرم درج ذیل فارم کو کمپنی کے رجسٹرڈ آفس میں مطلوبہ معلومات کے ساتھ جمع کروادیجئے۔

میں/ہم __________ ساکن/ساکنان __________ امریلی اسٹیلز کے حصص داران ہونے کی حیثیت سے، حامل/حاملین __________ عام حصص بحوالہ رجسٹرڈ شدہ فولیو/سی ڈی سی اکاؤنٹ نمبر __________ بذریعہ ہذا بمقام __________ سالانہ اجلاس عام میں ویڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔

__________	__________
نام و دستخط ممبر/ممبران	تاریخ

کمپنی ممبران کو ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں سالانہ اجلاس عام (AGM) کی تاریخ سے کم از کم پانچ (05) دن پہلے مطلع کرے گی اور اس کے ساتھ ہی اجلاس تک رسائی کیلئے ممبران کو ضروری معلومات بھی فراہم کردی جائیں گی۔

investor-relations@amrelisteels.com پر درج ذیل معلومات بعنوان "رجسٹریشن برائے انتالیسواں (39th) سالانہ اجلاس عام برائے امریلی اسٹیلز لمیٹڈ ارسال کریں۔

شیئر ہولڈر کا نام	فولیو/سی ڈی سی نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	موبائل فون نمبر	رجسٹرڈ ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی اسناد ان ممبران/پراکسیز کو ارسال کر دی جائیں گی جن کی جانب سے مندرجہ بالا تمام تفصیلات پر مشتمل ای میل مذکورہ بالا ای میل ایڈریس پر مؤرخہ 20 اکتوبر 2023 کو کاروباری دن کے اختتام تک موصول ہو جائے۔

2۔ شیئرز کی منتقلی کے کھاتوں کی بندش:

کمپنی کے حصص منتقلی کے کھاتے 17 اکتوبر 2023 سے 24 اکتوبر 2023 (بشمول ایام مذکورہ) بند رہیں گی۔ ہمارے شیئرز رجسٹرار، میسرز ٹی ایچ کے ایسوی ایٹس (پرائیویٹ) لمیٹڈ پلاٹ نمبر C-32، جامی کمرشل، اسٹریٹ نمبر 2، ڈی ایچ اے، فیز VII کراچی - 75500 کو مؤرخہ 16 اکتوبر 2023 تک دوران اوقات کار موصول ہونے والے شیئرز کی منتقلی کی درخواستوں کو بروقت تصور کیا جائے گا اور انھیں سالانہ اجلاس عام میں شرکت کی اجازت ہوگی۔

3۔ پراکسیز کی تقرری:

i۔ سالانہ اجلاس عام میں شرکت کرنے، اظہار خیال کرنے اور ووٹ دینے کا حقدار ممبر کسی دوسرے ممبر کو اپنی طرف سے شرکت کرنے، اظہار خیال کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کرنے کا حقدار ہے۔

ii۔ پراکسی کی تقرری کیلئے استعمال کی جانے والی دستاویزات اور پاور آف اٹارنی یا دیگر کوئی مجاز اتھارٹی، جس کے تحت اس پر دستخط کیے گئے ہیں، یا پاور یا اتھارٹی کی ایک نوٹرائزڈ تصدیق شدہ کاپی سالانہ اجلاس عام شروع ہونے سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع کروائی جانی لازم ہے۔ پراکسی فارم منسلک ہے۔

iii۔ پراکسی فارم پر دو گواہوں کے دستخط ان کے نام، معہ پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج ہونا لازم ہیں۔

iv۔ بصورت فرد، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر پراکسی فارم کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ یا ممبر اور پراکسی کے پاسپورٹ کی تصدیق شدہ نقول لازماً منسلک کریں۔

v۔ کارپوریٹ ادارے پراکسی فارم کے ساتھ نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی جمع کروانے کے پابند ہیں۔

4۔ سالانہ جلسہ عام میں شرکت:

i۔ بصورت فرد، چاہے وہ فزیکل شیئر ہولڈر ہو یا اکاؤنٹ ہولڈر یا سی ڈی سی میں ذیلی اکاؤنٹ ہولڈر، سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل کارآمد پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرنا لازم ہوگا۔

ii۔ پراکسی سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ بھی پیش کرے گا۔

iii۔ سینٹرل ڈپازٹری کمپنی (CDC) میں رجسٹرڈ ممبران سے بھی درخواست کی جاتی ہے کہ وہ اپنے اکاؤنٹ کی تفصیلات معہ سی ڈی سی سے متعلق اپنے کوائف ہمراہ لے کر آئیں۔

iv۔ بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی، نامزد شخص کے دستخط کے ساتھ، سالانہ اجلاس عام میں شرکت کے وقت پیش کرنا لازم ہے (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

5۔ ممبران کے پتوں میں تبدیلی:

تمام ممبران سے درخواست ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کی اطلاع فوری طور پر شیئرز رجسٹرار میسرز ٹی ایچ کے ایسوی ایٹس (پرائیویٹ) لمیٹڈ کو دیں۔

انتالیسویں (39th) سالانہ اجلاس عام کا نوٹس

بذریعہ ہذا اطلاع دی جاتی ہے کہ امریلی اسٹیلز لمیٹڈ (کمپنی) کے شیئر ہولڈرز کا 39 واں سالانہ اجلاس عام بروز منگل مؤرخہ 24 اکتوبر 2023 سہ پہر 03:00 بجے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے آڈیٹوریم ہال بلاک-8، چارٹرڈ اکاؤنٹنٹس ایونیو کلفٹن، کراچی میں درج ذیل امور کو زیر بحث لانے کے لیے منعقد کیا جارہا ہے۔ شیئر ہولڈرز ویڈیو لنک کی سہولت کے ذریعے بھی سالانہ اجلاس عام (AGM) میں شرکت کر سکتے ہیں۔

عمومی امور:

1۔ 30 جون 2023 کو ختم ہونے والے مالی سال سے متعلق کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کو وصول کرنا، زیر غور لانا اور منظور کرنا۔

کمپنیز ایکٹ 2017 کے سیکشن (7) 223 اور ایس آر او 2023/(I)389 مؤرخہ 21 مارچ 2023 مجریہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تحت، کمپنی کے مالیاتی گوشوارے بابت مالی سال اختتامیہ 30 جون 2023 کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیئے گئے ہیں جسے درج ذیل لنک اور QR کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے:

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2۔ مؤرخہ 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کا انتخاب کرنا اور ان کے معاوضے کی منظوری دینا۔ کمپنی کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹرز برائے مالی سال 30 جون 2024 کو ریٹائر ہونے والے آڈیٹرز میسرز وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس کی جگہ تقرری کی سفارش کی ہے۔

دیگر امور:

3۔ چیئرمین کی اجازت سے اجلاس سے پہلے کسی بھی دیگر امور کو زیر کارروائی لانے کیلئے پیش کرنا۔

بحکم بورڈ

عدنان عبدالغفار
کمپنی سیکریٹری

02 اکتوبر 2023
کراچی

نوٹس:

1۔ ویڈیو لنک کی سہولت کے ذریعے سالانہ اجلاس عام کی کارروائی میں شرکت:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ سرکلرز کے مطابق کمپنی اپنے شیئر ہولڈرز کی سالانہ اجلاس عام میں شرکت کیلئے ویڈیو لنک کی سہولت بھی فراہم کررہی ہے۔ اس سہولت کے ذریعے سالانہ اجلاس عام (A G M) میں شرکت کرنے کے خواہشمند ممبران/ پراکسیز سے درخواست کی جاتی ہے کہ وہ ای میل ایڈریس

PATTERN OF SHAREHOLDING WITH ADDITIONAL INFORMATION
As at 30 June 2023

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
Directors and their Spouse(s) and Minor Children			
Abbas Akberali	2	92,549,482	31.16
Shayan Akberali	2	37,441,223	12.61
Hadi Abbas Akberali	1	37,732,212	12.70
Mariam Akberali	1	1,000	0.00
Teizoon Kisat	1	500	0.00
Badar Kazmi	1	1,000	0.00
Zafar Ahmed Taji	1	12,000	0.00
Associated Companies, Undertakings and Related Parties			
Mahvash Akberali	1	55,732,930	18.76
Banks, Development Financial Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds			
Banks, DFI & NBFI	6	3,933,990	1.33
Insurance Companies	3	2,647,093	0.89
Modaraba	1	21,500	0.01
Mutual Funds	13	1,497,013	0.50
General Public			
Local	9,764	44,323,952	14.93
Foreign	405	5,524,123	1.86
Others	103	15,443,409	5.20
Foreign Companies	1	150,000	0.05
Total	**10,306**	**297,011,427**	**100.00**

Shareholders holding 5% or more	Shares Held	Percentage
Abbas Akberali	91,294,723	30.74
Mahvash Akberali	55,732,930	18.76
Hadi Abbas Akberali	37,732,212	12.70
Shayan Akberali	37,441,123	12.60

PATTERN OF SHAREHOLDING
As at 30 June 2023

Number of Shareholders	Number of Shareholders From	To	Shares Held	Percentage
559	1	100	21571	0.0073
5135	101	500	2508810	0.8447
1608	501	1000	1573106	0.5296
1903	1001	5000	5046760	1.6992
410	5001	10000	3311870	1.1151
159	10001	15000	2052489	0.6910
126	15001	20000	2311531	0.7783
81	20001	25000	1911091	0.6434
42	25001	30000	1202947	0.4050
21	30001	35000	699100	0.2354
26	35001	40000	1006797	0.3390
16	40001	45000	687009	0.2313
32	45001	50000	1589600	0.5352
14	50001	55000	746755	0.2514
8	55001	60000	466500	0.1571
3	60001	65000	190500	0.0641
6	65001	70000	410700	0.1383
10	70001	75000	741825	0.2498
7	75001	80000	551900	0.1858
6	80001	85000	503236	0.1694
5	85001	90000	440372	0.1483
3	90001	95000	284000	0.0956
16	95001	100000	1589400	0.5351
5	100001	105000	513500	0.1729
4	105001	110000	435100	0.1465
2	115001	120000	239500	0.0806
6	120001	125000	739591	0.2490
3	125001	130000	383399	0.1291
3	130001	135000	397500	0.1338
4	145001	150000	596500	0.2008
2	150001	155000	309500	0.1042
2	160001	165000	327100	0.1101
2	175001	180000	353000	0.1189
2	180001	185000	366000	0.1232
3	185001	190000	570000	0.1919
5	195001	200000	1000000	0.3367
2	200001	205000	407000	0.1370
4	205001	210000	835500	0.2813
1	215001	220000	215500	0.0726
1	220001	225000	224000	0.0754
1	225001	230000	227500	0.0766
1	230001	235000	233500	0.0786
2	240001	245000	488000	0.1643
5	245001	250000	1247715	0.4201

PATTERN OF SHAREHOLDING

As at 30 June 2023

Number of Shareholders	Number of Shareholders From	To	Shares Held	Percentage
1	250001	255000	255000	0.0859
3	260001	265000	785945	0.2646
1	265001	270000	266956	0.0899
2	280001	285000	568000	0.1912
4	295001	300000	1199049	0.4037
1	320001	325000	321000	0.1081
1	325001	330000	325339	0.1095
2	335001	340000	678500	0.2284
1	345001	350000	350000	0.1178
1	350001	355000	355000	0.1195
1	365001	370000	367114	0.1236
1	380001	385000	384468	0.1294
2	400001	405000	803800	0.2706
1	415001	420000	420000	0.1414
1	420001	425000	425000	0.1431
1	500001	505000	500500	0.1685
2	555001	560000	1114005	0.3751
1	595001	600000	600000	0.2020
1	645001	650000	650000	0.2188
1	685001	690000	689500	0.2321
1	775001	780000	779500	0.2624
1	785001	790000	787500	0.2651
1	845001	850000	850000	0.2862
1	875001	880000	879500	0.2961
1	945001	950000	947000	0.3188
1	950001	955000	954000	0.3212
1	995001	1000000	1000000	0.3367
1	1045001	1050000	1046500	0.3523
1	1065001	1070000	1068611	0.3598
1	1195001	1200000	1200000	0.4040
1	1250001	1255000	1254759	0.4225
1	1445001	1450000	1448129	0.4876
1	1810001	1815000	1811392	0.6099
1	2075001	2080000	2075500	0.6988
1	2080001	2085000	2083093	0.7014
1	2105001	2110000	2108505	0.7099
1	3495001	3500000	3500000	1.1784
1	37440001	37445000	37441123	12.6060
1	37730001	37735000	37732212	12.7040
1	55730001	55735000	55732930	18.7646
1	91290001	91295000	91294723	30.7378
10,306	Total		297,011,427	100.0000

INVESTORS' GRIEVANCES POLICY

The Company believes in prompt provision of resolution to all grievances of our valued shareholders in accordance with the statutory guidelines and well-designed policy. The development of sustained stakeholder relationships is paramount to the performance of the Company. Investors' grievances are managed centrally by the Corporate Compliance Department of the Company through an effective grievance management mechanism for handling of investors' queries and complaints, through the following key measures –

- Increasing the investors' awareness relating to modes for filing of queries;
- Handling of investors' grievances in a timely manner;
- Handling of grievances honestly and in good faith without prejudice;
- Escalating grievances to the appropriate levels with full facts of the case requiring attention of the senior management or the Board, for judicious settlement of the grievance, if required;
- Carrying out investigations to inquire about the cause of the grievance;
- Taking appropriate remedial action immediately to facilitate the respected investors of the Company;

Investors can communicate their grievances through any of the following channels -

By calling at UAN:	(+92-21) 111 - AMRELI (267354)
By writing to:	The Company Secretary Amreli Steels Limited Plot No. A-18, S.I.T.E. Karachi, Pakistan
By sending an email:	adnan.ghafar@amrelisteels.com investor-relations@amrelisteels.com
By accessing website:	http://amrelisteels.com/investor-relations#Complaints

DISCLAIMER: "In case investors' complaints are not properly redressed by the Company, investors may lodge their complaints with Securities and Exchange Commission of Pakistan ("the SECP"). However, SECP will entertain only those complaints which were at first directly requested to be redressed by the Company and the Company has failed to redress the same. Further, the complaints that are not relevant to SECP's regulatory domain/competence shall not be entertained by the SECP."

By accessing SECP:	https://sdms.secp.gov.pk/

Issues raised in last AGM & Decisions taken

The 38th Annual General Meeting of the Company held on 20 October 2022. Besides approval of annual audited accounts for the year ended 30 June 2022 and satisfactorily concluding other ordinary businesses of the said AGM, all the queries raised by the respected shareholders of the Company were responded upto their satisfaction by the Chair of the meeting, Directors, Chief Executive Officer and the Chief Financial Officer of the Company. Other than routine enquiries, no issues were raised by the shareholders which require decision or implementation thereof.

STAKEHOLDERS' ENGAGEMENT PROCESS

Stakeholders	Management of Stakeholders' Engagement	Effect and Value to Amreli Steels Limited (ASL)
Institutional Investors / Shareholders	ASL acknowledges and honors the trust our investors have put in us by striving to provide a steady return on their investment. We rigorously enforce a transparent relationship with all our stakeholders.	The providers of capital allow ASL the means to achieve its vision.
Customers & Suppliers	ASL has invested significantly over the years in customer relationship management. Our continuous and sustainable growth is also attributable to engaging reputed suppliers as business partners for supply of industrial inputs, equipment and machinery.	Our success and performance depends upon the loyalty of our customers, their preference and our supply chain management.
Banks and Other Lenders	Banks and other financial institutions are engaged by the Company on an on-going basis in relation to negotiation of rates, lending purposes, short term financing, deposits and investments. Banks are also consulted on issues linked with letters of credit and payments to suppliers, along with other disbursements of an operational nature.	Dealings with banks and lenders is key to ASL's performance in terms of the following: • Access to funds • Better interest rates and loan terms • Minimal fees • Higher level of customer service • Effective planning for the future
Media	Different communication mediums are used on need basis to apprise the general public about new developments, activities and philanthropic initiatives of ASL.	By informing the media of the developments and activities of ASL, effective awareness is created regarding the Company and the products and services offered, indirectly having a positive impact.
Regulators	ASL prides itself in being a responsible corporate citizen and abides by the laws and regulations of Pakistan. ASL consciously ensures that all the legal requirements of other countries are also fulfilled while conducting business outside Pakistan. ASL has paid a total of Rs. 10.6 Billion billion tax (comprising in terms of income taxes, federal excise duties, sales taxes and custom duties) to Government Exchequer during the financial year under review and continues to be one of the highest taxpayers of Pakistan.	Laws and regulations, determination of prices and other factors controlled by the Government affect ASL and its performance.
Analysts	In order to remain transparent and attract potential investors, ASL regularly engages with analysts on details of projects already disclosed to the regulators, with due regard to regulatory restrictions imposed on inside information and or trading, to avoid any negative impact on the Company's reputation or share price.	Providing all the required information to analysts on the historical performance of the Company, material announcement made during the period and help them understand the industry and its dynamics more clearly to create a positive investor environment.
Employees	ASL's commitment to its most valued resource, a dedicated and competent workforce, is at the core of its human resource strategy. ASL provides a nurturing and employee friendly environment while investing considerably in local and foreign employee trainings. Besides monetary compensations, ASL has also invested in health and fitness activities for its employees.	ASL's employees represent its biggest asset. They implement every strategic and operational decision and represent the Company in the industry and community.
Local Community and General Public	In addition to local communities near plant sites, ASL engages with general public at large through its CSR activities. This engagement helps to identify needed interventions in the field of education, health and general economic uplift of the society.	The people of the Country provide the grounds for ASL to build its future on.

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

The Company disseminates the notice of its general meetings to all registered shareholders along-with annual report containing financial statements of the Company. Besides this, the Company also publishes the notice of AGM in English and Urdu newspapers having circulation across the country and shareholders are also informed by Company through timely updating the notice of AGM and other relevant information at the official website of the Company as well as designated web-portal of the Pakistan Stock Exchange.

Shareholders are also encouraged to avail the facility of video conferencing (as per the prescribed procedures) and getting notices by email addresses (as provided by shareholders) to encourage maximum attendance at the meetings. The Company always facilitates and ensures shareholders' presence while entertaining their requests if feasible and viable. It values and honors their inputs, records their concerns, prepositions, suggestions in minutes and keeps them abreast on the progress and subsequent actions. Shareholders can also actively participate during general meetings in discussions on operations, objectives and future strategy of the Company.

SUMMARY OF CORPORATE BRIEFING SESSION HELD DURING THE YEAR 2022-23

The Company has conducted mandatory Corporate Briefing Session (CBS), for the financial year 2022-23 through virtual means for better participation from analyst community by giving fair advance intimation to shareholders and analysts' community. Chief Financial Officer of the Company gave presentation on financial and operational details of the Company during Corporate Briefing Session pertaining to the respective periods covered. Presentation were also posted on the Company's website after the Corporate Briefing Session, which can easily be viewed by all respected shareholders of the Company as well as the analysts. The same can be viewed by accessing Investors' Relations portion of the Company's website (i.e. https://www.amrelisteels.com/investor-relations#investorInformation).

Corporate Briefing Session for the year ended 30 June 2022 held on 17 November 2022.

STRATEGY TO OVERCOME LIQUIDITY PROBLEM AND THE COMPANY'S PLAN TO MANAGE ITS REPAYMENT OF DEBTS AND RECOVER LOSSES, IF ANY.

The company has established a strong liquidity management framework, supported by a team of seasoned experts responsible for overseeing its liquidity position and debt portfolio. This dedicated treasury team proactively handles the company's working capital needs, meticulously plans and forecasts its cash flow requirements, and serves as a shield against any potential liquidity challenges.

The Company primarily fulfills its working capital requirements through a combination of internal fund generation and external short-term financing. Internal funds primarily comprise revenue generated from sales to customers. Additionally, the company maintains stringent controls over customer receipts, employing a proactive approach that includes rigorous follow-ups on accounts receivable, regular aging analyses, periodic reviews of credit limits, and the facilitation of advance and cash sales.

To manage trade debts efficiently, the Company has established a dedicated credit administration and monitoring department staffed by experienced and committed professionals, with a primary focus on securing debts from the commercial sector. Furthermore, to prevent any unforeseen cash flow disruptions, a robust communication and coordination mechanism has been implemented among the treasury, sales, inventory management, and production departments. This ensures the maintenance of an optimal inventory level at all times.

In the fiscal year in question, Pakistan's economic performance faced considerable challenges. The country experienced a notable decline in its economic indicators, with the reported GDP significantly lower than the preceding year. The local currency, the rupee, exhibited a concerning level of instability, undergoing a substantial devaluation resulting in record high inflation and interest rates. Having facing these macro level issues, the continued political instability throughout the year have shook the confidence of the business community and deterred potential investors.

On external front, persistent global inflation, triggered by events like the COVID-19-related lockdown and the Russian invasion of Ukraine, resulted in a notable uptick in fuel and commodity prices. This inflationary pressure had a dampening effect on overall economic growth figures.

From the beginning of financial year under review, foreign reserves faced continued pressure which eventually resulted in restrictions on access to Letters of Credit (LC) to save the precious reserves. However, the company's management responded adeptly to these challenges, by managing working capital facilities under different possible modes that ensured the uninterrupted continuity of the business cycle and moving sale volumes to sustain these challenges which were beyond one's control. It is worth noting that the company enjoys robust relationships with banks and other lending institutions, backed by an impeccable credit history.

Throughout the year, the Company spent Rs. 1,597 million towards capital expenditures, primarily directed at enhancing production efficiencies and reducing production costs. These strategic investments are expected to fortify the company's financial position and overall performance, ultimately translating into attractive returns on investment for shareholders.

MAJOR EVENTS DURING THE FINANCIAL YEAR 2022-23

AUGUST 2022

Board of Directors' Meeting was held on 18 August 2022. The Board approved the annual audited financial statements of the Company for the year ended 30 June 2022 and the Directors' Report thereon.

OCTOBER 2022

38th Annual General Meeting (AGM) of the Company was held on 20 October 2022 for approval of annual audited financial statements of the Company for the year ended 30 June 2022.

Board of Directors' Meeting was held on 25 October 2022. The Board approved the condensed interim financial statements for the first quarter ended 30 September 2022 along with the Directors' Report thereon.

NOVEMBER 2022

The mandatory Corporate Briefing Session (CBS) for the year ended 30 June 2022 was held on 17 November 2022.

FEBRUARY 2023

Board of Directors' Meeting was held on 24 February 2023. The Board approved the condensed interim financial statements of the Company for the half year ended 31 December 2022 along with the Directors' Report thereon.

APRIL 2023

Board of Directors' Meeting was held on 27 April 2023. The Board approved the condensed interim, financial statements of the Company for the third quarter ended 31 March 2023 along with the Directors' Report thereon.

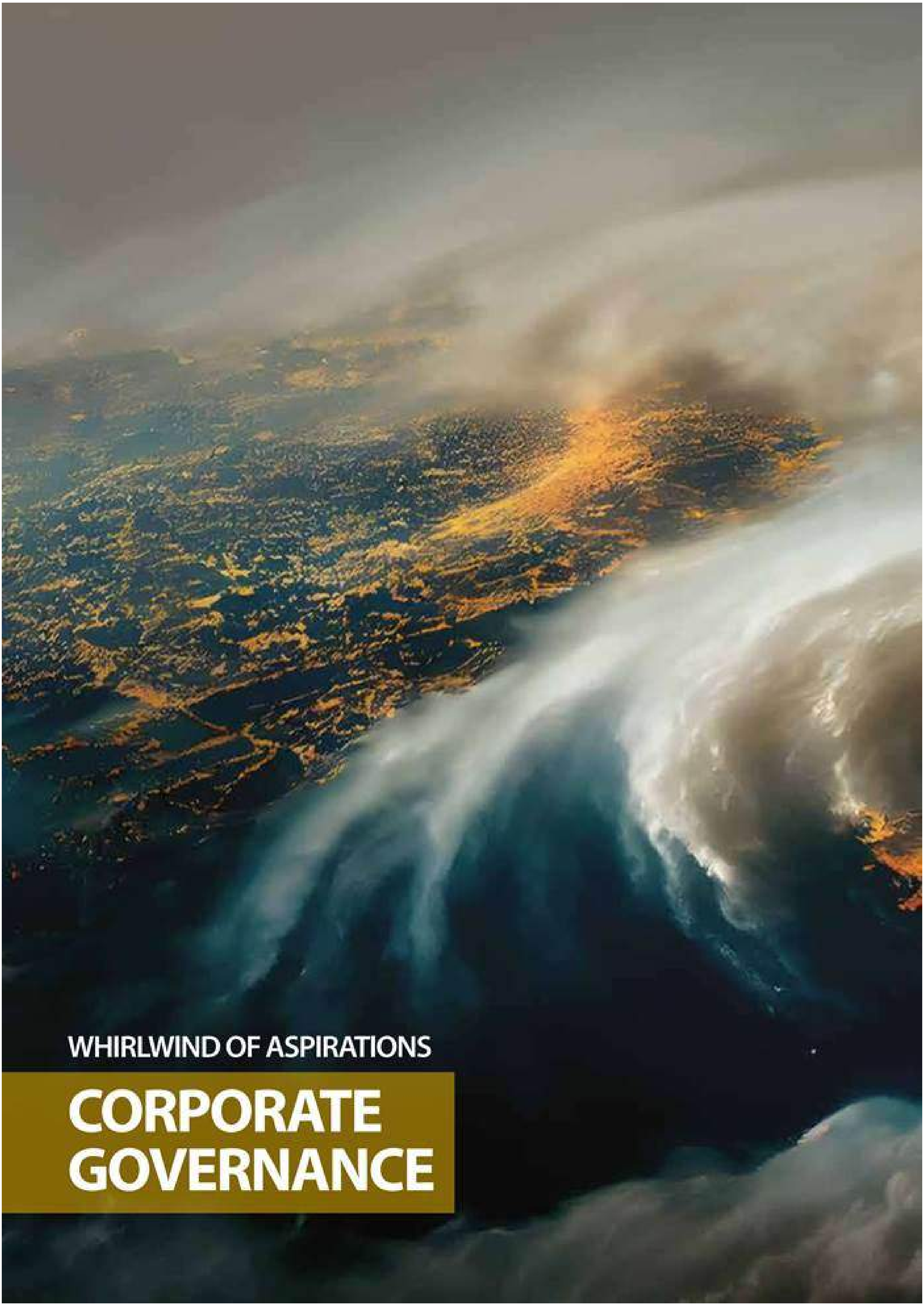
JUNE 2023

Board of Directors' Meeting was held on 02 June 2023. The Board recommended the following:

1. To increase the authorized share capital of the Company from Rs.5,000,000,000 (Rupees Five Billion Only) divided into 420,000,000 ordinary shares of Rs.10/- each and 80,000,000 cumulative preference shares of Rs.10/- each to Rs.10,000,000,000 (Rupees Ten Billion Only) divided into 920,000,000 (Nine Hundred and Twenty Million) ordinary shares of Rs.10/- each and 80,000,000 (Eighty Million) cumulative preference shares of Rs.10/- each, along with the consequent alteration in the Memorandum and Articles of Association of the Company subject to the approval of general meeting (with or without modifications);
2. To alter the Articles of Association of the Company to empower the Board of Directors of the Company to capitalize any sum or sums forming part of the reserves, undistributed profits or other accounts of the Company subject to the approval of general meeting;
3. To circulate the Annual Audited Financial Statements / Annual Report/ Notice of General Meeting(s) to the Members through QR Enabled Code and Weblink subject to the approval of general meeting;
4. To convene Extraordinary General Meeting for obtaining approval of the shareholders on the above matters.

An Extraordinary General Meeting (EOGM) of the Company was held on 24 June 2023 for obtaining approval of the following matters by the shareholders of the Company:

1. To alter the Articles of Association of the Company to empower the Board of Directors of the Company to capitalize any sum or sums forming part of the reserves, undistributed profits or other accounts of the Company subject to the approval of general meeting;
2. To circulate the Annual Audited Financial Statements / Annual Report/ Notice of General Meeting(s) to the Members through QR Enabled Code and Weblink subject to the approval of general meeting;



WHIRLWIND OF ASPIRATIONS

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

The Company recognizes that Governance, Risk Management, and Compliance (GRC) are three pillars that work together for the purpose of assuring that the organization meets its objectives.

GRC is a discipline that aims to synchronize information and activity across governance, risk management and compliance in order to operate more efficiently, enable effective information sharing, more effectively report activities and avoid wasteful overlaps.

Governance

Governance (Corporate Governance) is the combination of processes established and executed by the Board of Directors (the Board) that are reflected in the Company's structure and how it is managed and led toward achieving goals of the Company as a whole.

The corporate governance structure of the Company is based on statutory and regulatory compliance requirements that are applicable to companies listed on the Pakistan Stock Exchange Limited and Company's Articles of Association complemented by several internal procedures. These procedures include a risk assessment and control system, as well as a system of assurances on compliance with applicable laws, regulations and the Company's Code of Conduct.

Major External Regulations

- Companies Act, 2017 (Formerly: Companies Ordinance, 1984) and Rules made thereunder
- Listed Companies (Code of Corporate Governance Regulations), 2019
- Securities Act, 2015
- Listing Regulations of Pakistan Stock Exchange Limited
- Rule Book of Pakistan Stock Exchange Limited
- CDC Regulations
- All applicable Labour Laws
- All applicable Taxation Laws and Rules made thereunder
- Competition Act, 2010 and Rules made thereunder
- Other SECP Regulations, Circulars, Notifi¬cations and Guidelines issued from time to time
- Other local and International laws applicable directly or indirectly

Major Internal Regulations

- The Memorandum and Articles of Association of the Company
- Code of Conduct
- Whistle Blowing Policy
- Other Signi¬ficant policies formulated by the Company from time to time

The Board is responsible for governing the organization by establishing Board policies, setting the goals, objectives and strategies the Company is required to adopt, and formulating policies and guidelines for achieving the said goals and objectives. The Board is accountable to the shareholders for the discharge of its -fiduciary function.

The management is responsible for implementation of the aforesaid goals and strategies in accordance with the policies and guidelines laid down by the Board. In order to facilitate the smooth running of the day-to-day affairs of the Company, the Board entrusts the Chief Executive Officer (CEO) with necessary powers and responsibilities. The CEO is, in turn, assisted by various committees comprising of the Chief Operating Officers, Chief Financial Officer and the Heads of Businesses and Functions. The Board is also assisted by sub-committees comprising mainly of independent/non-executive Directors.

Risk Management

Risk management is predicting and managing risks that could hinder the Company to achieve its objectives. The Board has the overall responsibility of overseeing the risk management processes, which include both risk management and internal control procedures. The Company's processes, which are documented and regularly reviewed, are designed to safeguard assets and address risks that the business might face or that may impact business continuity. These are, in turn, reported to the Board and senior management for timely action where required, to ensure uninterrupted operations.

The Company maintains a clear organizational structure with a well-defi¬ned chain of authority. Senior management is responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls. The Company's overall risk management program focuses on the unpredictability of fi-nancial markets, regulatory levies and taxes, external factors affecting the marketability and profi¬t margin of its products, internal factors that may compromise the Company's ability to meet its targets, and seeks to minimize potential adverse effects on the Company's fi¬nancial performance.

Compliance

Compliance at Amreli Steels means adherence with the applicable laws and regulations and the Company's policies and procedures. The Company considers strong and efficient governance as a key to the Company's success.

Due to the increasing number of regulations and need for operational transparency, the Company is increasingly adopting the use of consolidated and harmonized sets of compliance controls. This approach is used to ensure that all necessary governance requirements can be met without unnecessary duplication of efforts from resources to ensure effectiveness and efficiency.

CORPORATE CALENDAR

Tentative Dates for the Financial Year 2023-24

- **Board Meeting**
  For the First Quarter ending
  30 September 2023
  Last week of October 2023

- **Corporate Briefing Session**
  For the year ended 30 June 2023
  Second Week of November 2023

- **Board Meeting**
  For the Half Year ending
  31 December 2023
  Second week of February 2024

- **Board Meeting**
  For the Third Quarter ending
  31 March 2024
  Last week of April 2024

- **Board Meeting**
  For the Year ending 30 June 2024
  Second week of September 2024

- **Annual General Meeting**
  For the Year ending 30 June 2024
  Third week of October 2024

RISK MANAGEMENT GOVERNANCE

CEO

Has ultimate responsibility for risk management, ensuring that it is in place and effectively functioning.

Board of Directors

- Has an oversight role and set overarching risk appetite,
- Ensures that adequate and effective risk management processes are in place,
- Approves a risk appetite in accordance with the risk management methodology adopted by Amreli.

ERM Steering Committee

Comprises of senior executives who identify, assess and monitor organization-wide risks and mitigating actions.

Audit Committee

- Supports the board in monitoring risk exposure against risk appetite,
- Reviews and monitors the effectiveness of risk management and internal control systems.

Internal Audit

Supports the Audit Committee in reviewing the effectiveness of risk management and internal control systems.

Oversight, identification, assessment and management of risks at corporate level

Risk Management

Identification, Assessment and management of risks at operational level

Operational Level

- Adopts regional risk appetite.
- Supporting the Risk Management in reviewing and monitoring effectiveness of risk management.
- Identification, assessment and management of risks at the operational level.
- Monitoring of risk management process and effectiveness of internal controls.

RISK MANAGEMENT PROCESS

The Board is responsible for maintaining and reviewing the effectiveness of company's risk management activities from a strategic, financial, and operational perspective. These activities are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives or to successfully deliver our business strategy. We follow the Three Lines of Defense approach to risk management. Risks are owned and managed within company and reviewed atleast annually.

Step 1 Risk Identification	Step 2 Risk Assessment	Step 3 Risk Response	Step 4 Risk Reporting and Monitoring
• Consider key business objectives • Identify principal risks • Identify key controls	• Assess controls • Estimate likelihood, and impact • Consider legal, reputation and conduct exposure	• Accept or remediate current risk and control environment • Determine corrective action if needed	• Business Unit, Process Level, ERM steering committee and Audit Committee

Three Lines of Defence

CEO

Enterprise Risk Management Steering Committee

First Line of Defence

- Process Owners

Second Line of Defence

- Legal and Compliance
- Information Technology
- Financial and Cost Controlling
- Physical Security

Third Line of Defence

- Internal Audit

RISK CATEGORIES

Strategic risk

- R1 Change in government laws and policies
- R2 Economic factors, industry conditions, industry cyclicality
- R3 Reputation risk

Financial risk

- R4 Interest rate risk
- R5 Foreign exchange risk
- R6 Liquidity risk
- R7 Counter-Party risk
- R8 Financial Reporting risk

Operational risk

- R9 Breach of IT security
- R10 Unable to meet customers' demands
- R11 Business interruption due to power outages.
- R12 Technology failing to provide cost & quality competitiveness
- R13 Failure to maintain high potential human capital
- R14 Product competition
- R15 Health & safety
- R16 Supply chain management risk
- R17 Operational disruption
- R18 Environmental risk
- R19 Litigation & regulatory compliance risk

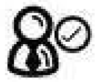
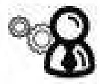
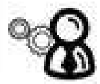
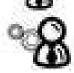
IMPACTED CAPITAL

Health and Safety	Customers
Human Resource	Business operations
Investors	Business partners
Environment	Communities

PRINCIPAL RISKS & OPPORTUNITIES REPORT

Sr. No	Risk	Description	Source of Risk	Mitigation Strategy and Opportunities	Impacted Capital	Assessment
			Strategic Risk			
1.	Change in government laws and policies	Regulatory changes may affect local steel industry due to ad-hoc tariff adjustments on imports or dumping in Pakistan. The political chaos may affect law and order situation, which may hamper economic activity.	External	• The management of Amreli steels continuously seeks dialogue with the policymakers at different forums to safeguard the interest and growth of the steel industry in Pakistan. • The Industry status for the construction sector will result in the growth of the industry.		Medium
2.	Economic factors, industry conditions, industry cyclicality	The cyclic nature of steel industry may adversely affect our business. The construction sector is largely dependent on government's spending and overall economic conditions of the country and any adverse effects on economy may directly affect steel Industry.	External	• The Company continuously tracks changes in the economic environment of the country in general and steel industry in particular in order to align its strategy proactively through short and smart forecast. • The previous year GDP of 5.97% together with the mega projects in the public sector and large dams helped the Company to utilize its available plant capacity. • The Company has forecasted to meet the target sale (quantity-wise) and will diversify the customer portfolio to coup up with improvised economic conditions.		Medium
3.	Reputation Risk	Risk of loss in revenues resulting from goods returned or bad publicity in press on quality and performance of the product.	Internal	• Amreli Steels has established a formal management system conforming to ISO 9001: 2015. We are an ISO 9001:2015 Certified company. • All our products are approved and certified by the Pakistan Standards Quality Control Authority (PSQCA). • The company maintains a state of Art testing laboratory where each heat produced is tested against International Standards (ASTM A-615 & BS 4449). • The staff of the testing & Operating facility is professionally trained by foreign experts to use the machines and deliver accurate results.		Low
			Financial Risk			
4.	Interest rate risk	Changes in Interest rates can cause changes in the borrowing cost of the company.	External	• The management is continuously taking steps to improve the working capital position.		Medium
5.	Foreign exchange risk	Devaluation of PKR against USD may result in costly inputs which in turn can cause adverse impact on our profitability and pricing.	External	• Amreli Steels treasury function minimizes the risk through proper planning based on the future outlook of FOREX rates and by entering into hedging arrangement, if required. • The risk is dealt with monitoring of economic situations for informed decision-making and regular engagement with external parties to assess the risk.		Medium
6.	Liquidity risk	Our risk of default on our financial commitments to other parties.	Internal	• Strong adherence to the practice of fulfillment of commitments has a positive impact on our lenders. • The Company maintains healthy relationship with different lenders to		Low

Sr. No	Risk	Description	Source of Risk	Mitigation Strategy and Opportunities	Impacted Capital	Assessment
				Financial Risk		
				keep the availability of financing option. • The Company negotiates its terms with suppliers and customers to reduce working capital.		
7.	Counter-Party risk	Risk of default in payments by credit customers.	External	• Maintenance of a healthy and active relationship with customers is a key to mitigate the credit risk. Credit is extended only to those customers who enjoy good market reputation, have financial strength and are able to secure a minimum number required for credit on Amreli's internally designed credit scorecard. There is a proper credit committee in place to approve the transaction. Limits once assigned is entered into the ERP and cannot be changed without the approval of credit committee. Proper written agreements are in place along with open cheques with a value, 25% over and above the assigned credit limit. • We have defined follow-up procedures. The payment, sales, and operational performance of customers are properly documented and are incorporated into the customer's appraisal. • The Company has a segment of credit control to strengthen receivable management in response to increased risk arising due to an increase in revenue.		Medium
8.	Financial Reporting risk	Risk of reporting issues with regulators and authorities.	Internal	• The Company complies with the best practices issued by the regulatory authorities of Pakistan. The Financial Statements conform to International Financial Reporting Standards. • Our accounts, finance, and compliance teams are well experienced and professionally qualified for the continuous monitoring and implementing changes in the legal or reporting framework. • With a well-reputed External Audit firm, a strong Internal Audit function along with outsourced Internal Audit firm the risk is duly mitigated.		Very Low
				Operational Risk		
9.	Breach of IT Security	Risk that IT security can be breached causing loss to the stored information.	External	• The Company regularly monitors IT controls for the security of data and information flow by implementing secure connections and firewalls. • The Company also maintains an appropriate data backup mechanism to ensure data availability in case of any damage via the development of comprehensive Disaster Recovery Strategy and conduct of data recovery on a regular basis.		Low

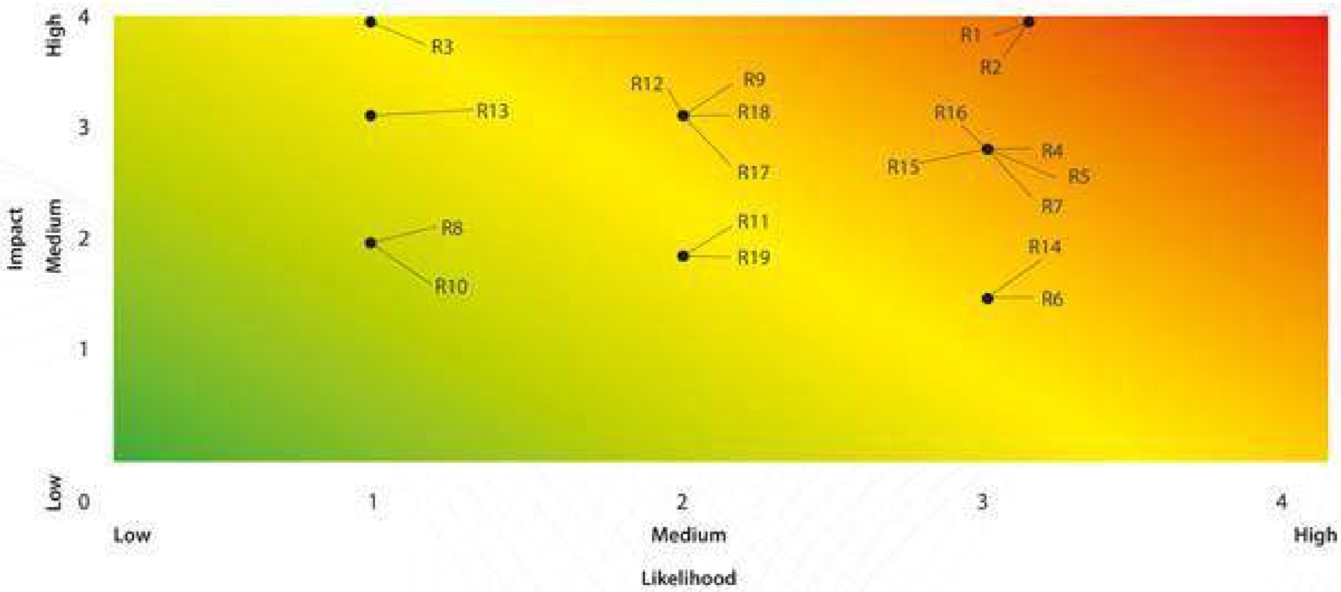
Sr. No	Risk	Description	Source of Risk	Mitigation Strategy and Opportunities	Impacted Capital	Assessment
Operational Risk						
				• The employees are constantly communicated about cyber-attack threats to raise staff awareness. • The Information Security is evaluated both internally and by competent independent experts on a regular basis.		
10.	Unable to meet customers' demands	The company is unable to supply desired quantity to its customers.	Internal	• The Company has enough production capacity to meet any sudden rise in demand. • The Company has enhanced its logistics facilities by increasing current warehouse capacity and increasing dispatch units (Warehouses) in different parts of countries.		Very Low
11.	Business interruption due to power outages.	Prolonged power outages will result in delayed production and which may result in loss of competitive advantage and reputation.	External	• At Dhabeji plant, the Company is supplied with power by K-Electric from the national grid at 132KV/11KV with two transformers rating of 50/63 MVA which is more than sufficient to cater to the requirement of Company's existing operations and expansion plans. Further, the Company has laid one extra phase cable of 132KV to avoid a single point of failure. The Company has a dedicated bay at K-Electric's Dhabeji grid station, from which its dedicated power feeders transmit power at 132KV voltage to the grid station at the site. • The Rolling Mill plant at S.I.T.E Karachi is supplied with power from two dedicated feeders of K-Electric, supplying power at 11KV level one in line and other on standby. Each of these feeders originates at the K-Electric substation and terminates at the plant with no other customer of K-Electric drawing power from these lines.		Low
12.	Technology failing to provide cost & quality competitiveness	Sacrificial loss in profitability due to outdated technology or failure in technology system.	Internal	• The Company has installed state-of-the-art equipment for melting and slit rolling, which are contracted from an international conglomerate manufacturer and equipment supplier, Primetals Technologies. The Company expects this investment to give it competitive technological advantage and unparalleled cost & quality benchmarks, which will help translate into a better bottom line.		Low
13.	Failure to maintain high potential human capital	Loss of high potential talent in the form of attraction, engagement and retention may result in loss of ideas that give us competitive advantage.	Internal	• HR ensures vigorous succession planning to identify, engage, and retain intellectual capital by offering a challenge-reward based conducive work environment.	 	Very Low
14.	Product competition	Growing numbers of local players in the market and cheap quality of steel bar available in the market at uneconomical prices may seriously affect company's market share.	External	• The Company believes in healthy competition and at the same time intends to enhance its market share in the coming years by increasing its market outreach. • The installation of the fifth-generation		Low

Sr. No	Risk	Description	Source of Risk	Mitigation Strategy and Opportunities	Impacted Capital	Assessment
Operational Risk						
				plant gives the Company the benefits of competitive conversion costs and economies of scale and production of high-quality products, provides competitive advantage over other steel rebar manufacturers.		
15.	Health & safety	Poor health & safety environment may become root cause of fatal work place accidents which can result in lowering of employees' motivation and which ultimately might cost the reputation of the Company.	Internal	• The risk is reduced via educating the employees about workplace safety through continuous training and awareness programs. • The Company has adopted best practices to counter the challenges of the Covid-19 pandemic.		Medium
16.	Supply chain management risk	Prolonged production stoppages due to shortages of inputs may result in disruptions in overall business operations. Also variation in prices of raw material may adversely affect our profitability.	Internal/ External	• The Company maintains adequate stock levels to support smooth operations and has enough storage space to maintain safety stock at an appropriate level. • The Company has strong commitments from its vendors in terms of quality and competitive prices of raw materials. • In the case of over-dependence, the Company also has alternate vendors on its approved vendor list. • To avoid disturbance in the production process, the Company optimizes the use of market intelligence and updates vendor performance.		Medium
17.	Operational disruption	Operational disruption due to any conflict, miscommunication or unavailability of resources.	Internal	• The Company functions through a well-defined structure with a defined flow of information to avoid any conflict or communication gap. • The Company has adequate human resources, and the operational workflow designs to support succession planning. • The Company has maintained storage with sufficient spares to reduce possible downtime in case of any potential breakdown.		Low
18.	Environmental risk	Actual or potential threat of adverse effects on environment arising out of company activities.	External	• The plant at company is installed with a PLC-based APC (Air Pollution Controller) which reduces the carbon footprint by capturing fumes and dust for safe disposal, instead of releasing them in the air. • The Company has registered its plant under the Self-Monitoring and Reporting Program (SMART), monitored by Pakistan Environmental Protection Agency under the umbrella of the Ministry of Environment, Government of Pakistan.		Low
19.	Litigation & regulatory compliance risk	New laws, regulations or other requirements may result in new liability in the case of non-compliance.	External	• The Company regularly monitors changes in the regulatory environment and proactively deals with the changes in the regulatory framework. • The Company has an experienced team of professionals and advisors who focus on the evaluation of risks in all legal transactions. • The Company provides training to its employees to remain up to date with the relevant regulations.		Low

RISK ASSESSMENT CHART

	Risk Factor	Likelihood	Impact
R1	Change in government laws and policies	2	4
R2	Economic factors, industry conditions, industry cyclicality	3	3
R3	Reputation Risk	1	4
R4	Interest rate risk	3	3
R5	Foreign exchange risk	3	3
R6	Liquidity risk	3	2
R7	Counter-Party risk	3	3
R8	Financial Reporting risk	1	2
R9	Breach of IT security	2	3
R10	Unable to meet customers' demands	1	2
R11	Business interruption due to power outages	2	2
R12	Technology failing to provide cost & quality competitiveness	2	3
R13	Failure to maintain high potential human capital	1	3
R14	Product competition	3	2
R15	Health & safety	3	3
R16	Supply chain management risk	3	3
R17	Operational disruption	2	3
R18	Environmental risk	2	3
R19	Litigation & regulatory compliance risk	2	2

3 or below	Very Low
4 to 7	Low
8 to 11	Medium
12 to 16	High



INTERNAL CONTROL FRAMEWORK

Internal control is integral part of our activities. It consists of all measures taken by the company for the purpose of:

- Protecting its resources against waste, fraud, and inefficiency;
- Ensuring accuracy and reliability in accounting and operating data;
- Securing compliance with the organizational policies; and
- Evaluating the level of performance in all organizational units of the company.

We are in the process of adopting COSO framework to attain the objectives that are;

- Operational Objectives—these pertain to effectiveness and efficiency of the entity's operations, including operational and financial performance goals, and safeguarding assets against loss.
- Reporting Objectives—These pertain to internal and external financial and non-financial reporting and may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the entity's policies.
- Compliance Objectives—these pertain to adherence to laws and regulations to which the entity is subject to.

The Board has overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board considers that strong internal controls are integral to the sound management of the organization, and it is committed to maintaining strict financial, operational, and risk management control over all its activities with formally defined lines of responsibility, delegated authorities, and clear operating processes. The systems that the Board has established are designed to safeguard both the shareholders' investment and the assets of the company. Entity level controls are in place for the achievement of desired objectives. To ensure the effectiveness and reliability of internal control, ASL has both in-house internal audits as well as an outsourced function.

The systems, standard operating procedures, and controls are implemented by the executive leadership team and are reviewed by the internal audit team whose findings and recommendations are placed before the Audit Committee.

To maintain objectivity and independence, the Internal Audit function reports to the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance with the plan.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures, and policies at all locations of the Company. Based on the report of the internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meetings. Also, the Audit Committee at semiannually has independent sessions with the external auditors and the Management to discuss the adequacy and effectiveness of internal financial controls.

Internal Control Framework

Control Environment	Risk	Control Activities	Information & Communication	Monitoring
Management is keen to promote Integrity, ethical values and the commitment to competence. Company and departmental organograms are designed properly assigning the appropriate lines for reporting of each functional area. Key Performance Indicators (KPIs) are established to monitor the performance of its departments against their stated objectives.	Amreli Steels has ongoing process of identifying and analyzing risks. Mechanisms are developed to respond to the changing condition. The identified risk are evaluated and prioritized in order to take appropriate actions.	The policies and procedures are developed in order to ensure that management directives are understood clearly and carried out properly. All the neccessary actions are taken to address risks to achieve entity's objective. These include a range of activities such as approvals, authorizations, verifications, reconciliations, budgeting, security of assets, segregation of duties and reviews of operating performance.	Amreli has a defined formal mechanism of communication and sharing of information amongst the departments and stakeholders. All responsible personal have been given clear understanding of their role in internal control system as well as how individual activities relate to the others.	The internal control system is actively monitored. Ongoing monitoring occurs in the ordinary course of operations, and includes regular management and supervisory activities, and other actions personnel take in performing their duties that assess the quality of internal control system performance.

EY
Building a better working world

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Independent Auditors' Review Report

To the members of Amreli Steels Limited

Review Report on the Statement of Compliance contained in the 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 Amreli Steels Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 28 September 2023

UDIN Number: CR202310120ICYPvgw5f

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED 30 JUNE 2023

Amreli Steels Limited ("the Company") has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner.

1. The total number of Directors of the Company are seven (07) as per the following:

Male	6
Female	1

2. The composition of Board is as follows:

Independent Directors	Mr. Badar Kazmi
	Mr. Teizoon Kisat
	Mr. Zafar Ahmed Taji
Non-Executive Director/ Chairman	Mr. Abbas Akberali
Female (Non-Executive Director)	Ms. Mariam Akberali
Executive Directors	Mr. Shayan Akberali
	Mr. Hadi Abbas Akberali

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed Vision and Mission statements, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval and subsequent update is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. All the Directors of the Company have either obtained certificate of Directors' Training Program or are exempted from the requirement as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following committees comprising of members given below:

	Name of Committee Members	Category
a. Audit Committee	Mr. Teizoon Kisat - Chairman	Independent Director
	Mr. Badar Kazmi	Independent Director
	Mr. Zafar Ahmed Taji	Independent Director

	Name of Committee Members	Category
b. Human Resource and Remuneration Committee	Mr. Zafar Ahmed Taji - Chairman	Independent Director
	Mr. Teizoon Kisat	Independent Director
	Mr. Shayan Akberali	Executive Director

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 committees held during the year are as under:

    a) Audit Committee – Six (06) meetings

    b) Human Resource and Remuneration Committee – One (01) meeting

15. The Board has set up an effective internal audit function comprising personnel who are considered suitably qualified and experienced for the purpose and are well conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. We confirm that the Company has complied with respect to all the material requirements of the Regulations.

For & on behalf of Board of Directors

Abbas Akberali
Chairman
08 September 2023
Karachi

ROLE OF CHAIRMAN OF THE BOARD

Abbas Akberali

The Chairman is responsible for leadership of the Board and ensures that the Board plays an effective role in fulfilling its responsibilities in terms of formulating and implementing corporate direction and strategy. He plays a central role in encouraging effective relationships and communications between board members especially non-executive directors to promote constructive debate and effective decision-making.

Besides effective operations of the Board, the Chairman ensures that its Committees operate in conformity with the highest standards of corporate governance and the committees are properly established, composed and operated as required under the applicable corporate laws. At the beginning of term of each Director, the Chairman ensures that each Director understands his/ her role, obligations, powers and responsibilities in accordance with the Companies Act, 2017 and Company's Articles of Association. He reviews the Board's performance and suggests the training and development of Board Members on individual and collective basis.

The Chairman sets the agenda of the Board Meetings and ensures that all written notices and relevant material, including the agenda, of meetings be circulated amongst the Board Members prior to the meetings.

ROLE OF CEO

The Chief Executive of the Company is responsible to manage the overall affairs and day to day operations of the Company and to improve the shareholders' wealth by way of maximizing the profits of the Company under the overall directions of the Board.

He develops strategies for implementation of decisions taken by the Board and its Committees. The CEO ensures that he develops adequate financial and operational plans and attains the targets set by the Board in the best interest of the Company.

He acts as a direct liaison between the Board and Management of the Company and communicates to the Board on behalf of Management. He ensures that all strategic and operational risks are appropriately managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas. He is also responsible for highest moral, ethical and professional values and good governance culture throughout the organization.

Shayan Akberali

CHAIRMAN'S REVIEW

Abbas Akberali

Dear Shareholders,

I am pleased to present an overview on the Company's performance for the fiscal year 2023. The preceding year has been characterized by a multitude of global and domestic challenges which put substantial pressure to Pakistan's economy. Considering these difficult and demanding times, I anticipate that survival will be secured by only those who possess unwavering faith in resilience, adaptability and creativity.

Pakistan is currently grappling with a severe balance of payment crisis, necessitating substantial foreign exchange to address trade deficits and international debt commitments. The financial performance of state-owned enterprises (SOEs) in Pakistan also remains a source of concern, adding to the economic challenges faced by our nation. Due to an urgent need to reduce inflation and contain the current account deficit, high interest rates and import controls have crippled the business environment and sentiment. A fast depreciating dollar and rising energy prices have caused building material prices to soar past the individuals' capability to purchase. As such, many construction projects have been halted or shelved.

It is important to contextualize these economic challenges with your Company's performance during the financial year 2023. Your Company faced substantial challenges, which manifested in a notable loss and a significant reduction in overall sales volumes compared to the previous financial year, leading to an 8.15% decrease in gross profit. It's important to emphasize that despite these hurdles, our solid commitment to resilience and determination remains steadfast.

Moving forward, Amreli Steels Limited is resolutely committed to maintaining its growth trajectory. While your Company's financial performance for the outgoing year resulted in a net financial loss, we hold a steadfast belief in our long-term growth potential and our focus on the continuous enhancement of operational efficiencies, the exploration of new growth avenues, and the preservation of impeccable standards of product quality and customer service.

Amidst these challenges, there is a glimmer of hope. Recent reports have unveiled Saudi Arabia's plan to invest a substantial $25 billion in Pakistan over the next two to five years. This commitment, spanning multiple sectors such as mining, agriculture, and information technology, aligns with Pakistan's vast mineral wealth, conservatively valued at approximately $6 trillion, and underscores our potential for robust economic growth. This potential investment from Saudi Arabia, coupled with commitments from other friendly nations including UAE and China, will hopefully turn out to be a great opportunity for the revival of the economy and enhancing financial stability.

The prospects for construction activity remain strongly linked to the state-level management of the macro economic conditions. If the government is able to bring in enough FDI to create fiscal space for growth and a gradual reduction of interest rates, there will surely be a slew of infrastructure of housing projects that are already on the drawing board. Based on global benchmarks, Pakistan should be spending USD 30 billion a year only on building infrastructure, which will spur demand across a range of sectors in the economy.

As Chairman of the Board, I reaffirm our unwavering commitment to upholding the highest standards of governance, ensuring transparency, and safeguarding the interests of all stakeholders, especially the minority shareholders, while ensuring adherence to all relevant laws and regulations. The Board takes its governance responsibilities seriously, encompassing oversight of the business, decision-making processes, risk and control framework, regulatory compliance, as well as strategic planning to safeguard and enhance long-term objectives and strategic values. As part of our dedication to meeting regulatory requirements, we conduct an annual self-assessment to evaluate the efficacy and performance of the Board, its members, and sub-committees. I am pleased to state that the outcomes of these assessments have been satisfactory, signifying the Board's and its Committees' steadfast commitment to maintaining excellence in its functioning and fostering a culture of continual improvement.

I extend my heartfelt appreciation to all members of the Board for their proactive approach in leading our employees, workers, and every individual associated with the Amreli Family amidst such challenging circumstances. Your solid support and confidence in our endeavors is deeply valued and greatly honored.

Abbas Akberali
Chairman
08 September 2023

بطور بورڈ کے چیئرمین میں اس عزم کا اعادہ کرتا ہوں کہ گورننس کے اعلیٰ معیار کو قائم رکھنے، شفافیت کو یقینی بنانے اور تمام شراکت داروں بالخصوص اقلیتی شیئر ہولڈرز کے حقوق و مفادات کی حفاظت کو یقینی بنانے کیلئے مروجہ قوانین اور ضوابط کے دائرے میں رہتے ہوئے کوئی کسر اٹھا نہیں رکھی جائے گی۔ بورڈ گورننس سے متعلق اپنی ذمہ داریوں سے بخوبی واقف ہے، ان ذمہ داریوں میں کاروباری امور کی نگرانی، فیصلہ سازی، کاروباری خطرات اور اس کے سد باب سے متعلق حکمت عملی، قواعد وضوابط کی پاسداری اور ایسی حکمت عملیاں شامل ہیں جن کے باعث کمپنی اپنے طویل المیعاد مقاصد کے حصول اور اسٹریٹیجک قدر میں اضافہ کر سکے۔ قواعد وضوابط کی پاسداری کے سلسلے میں ہماری جانب سے مکمل اخلاص کے ساتھ خود احتسابی کے تحت سالانہ جائزہ لیا جاتا ہے تاکہ بورڈ اور اس کے ممبران اور ذیلی کمیٹیوں کے ممبران کی کارکردگی کا اندازہ ہو سکے۔ ان جائزوں کے نتیجے میں سامنے آنے والے نتائج بتاتے ہوئے مجھے خوشی محسوس ہوتی ہے کہ ہماری کارکردگی اطمینان بخش رہی ہے، جس سے ظاہر ہوتا ہے کہ بورڈ اور اس کی کمیٹیاں پورے اخلاص کے ساتھ حسن کارکردگی کی جانب آگے بڑھ رہے ہیں اور مسلسل اصلاح کے کلچر کو فروغ دیا جا رہا ہے۔

میں اپنی جانب سے تہہ دل سے بورڈ کے تمام ممبران کو مبارکباد پیش کرتا ہوں کہ انکی جانب سے تمام ملازمین، ورکرز اور امریلی اسٹیلز فیملی سے وابستہ ہر فرد کی نامساعد حالات میں بھی مسلسل رہنمائی کی گئی ہے۔ آپکی ٹھوس حمایت اور ہماری کوششوں پر آپ کا اعتماد ہمارے لئے ایک قیمتی سرمایہ ہے اور ہمارے لئے قابل فخر ہے۔

عباس اکبر علی

چیئرمین

8 ستمبر 2023

چیئرمین کا پیغام

معزز حصص داران،

میں انتہائی مسرت کے ساتھ مالی سال2023 سے متعلق کمپنی کی کارکردگی کا جائزہ آپ کے سامنے پیش کررہا ہوں۔ گزشتہ مالی سال عالمی اور ملکی سطح پر بڑے مسائل سے بھرپور تھا جن کی وجہ سے پاکستان کی معیشت دباؤ کا شکار رہی۔ اس کڑے اور مشکل وقت کو مدنظر رکھتے ہوئے میں اس بات کی پیشن گوئی کرسکتا ہوں کہ مستقبل میں محض وہی ادارے قائم رہیں گے جو استقامت، مطابقت اور تخلیقی صلاحیتوں کا مظاہرہ کرنے کی سکت رکھتے ہونگے۔

اس وقت پاکستان ادائیگیوں کے سلسلے میں عدم توازن کا شکار ہے، پاکستان کو فی الوقت خاطر خواہ زرمبادلہ کی ضرورت ہے تاکہ تجارتی خسارے کو کم کرنے کے ساتھ ساتھ غیر ملکی قرضوں کی ادائیگیوں کا بندوبست بھی کیا جاسکے۔ پاکستان میں ریاستی اداروں کی جانب سے مالیاتی کارکردگی بھی باعث تشویش رہی ہے، جن کے باعث پاکستان کو پہلے سے لاحق مالی مسائل میں اضافے کا سامنا کرنا پڑا۔ فی الفور افراط زر کی بلند شرح پر قابو پانے اور کرنٹ اکاؤنٹ خسارے کو کم کرنے کیلئے بلند شرح سود اور درآمدی کنٹرول کے باعث ملک کے اندر کاروباری ماحول اور اعتبار کو شدید دھچکا لگا ہے۔ ڈالر کے مقابلے میں روپے کی تیزی سے گرتی ہوئی قدر اور تعمیرات کی صنعت میں توانائی کی تیزی سے بڑھتی قیمتوں سے افراد کی قوت خرید پر بڑے منفی اثرات مرتب ہوئے ہیں۔ نتیجتاً بہت سے تعمیراتی پروجیکٹس یا تو التواء کا شکار ہیں یا ان میں کمی کی جا چکی ہے۔

لازم ہے کہ مالی سال2023 کے دوران آپکی کمپنی کی کارکردگی کو بھی انہی حالات کے تناظر میں پرکھا جائے۔ ان حالات میں گزشتہ مالی سال کے مقابلے میں فروخت کے حجم میں کمی آنے کی وجہ سے آپکی کمپنی کو بھی شدید نقصانات اٹھانے پڑے ہیں جس کے باعث کمپنی کے خام منافع میں8.15% کی کمی واقع ہوئی ہے۔ یہاں یہ بات انتہائی اہم ہے کہ ان تمام مشکلات کے باوجود ہمارا استحکام اور عزم غیر متزلزل رہا۔

مزید برآں، امریلی اسٹیلز لمیٹڈ اپنی مطلوبہ نشوونما کے حصول میں عزم مصمم سے لیس ہے۔ گو کہ ختم ہونے والے مالی سال کے دوران آپکی کمپنی کی مالی کارکردگی کے نتائج منفی رہے ہیں، تاہم ہم طویل المیعاد عرصے کیلئے نشوونما کی مخفی توانائیوں پر یقین رکھتے ہیں اور اس مقصد کے حصول کیلئے ہماری جانب سے کاروباری افعال کو مزید مستعد بنانے، نشوونما کو مزید بڑھانے کیلئے نت نئی اختراعات کی تلاش اور مصنوعات کے معیار اور بہترین کسٹمر سروسز کو قائم رکھنے کیلئے ہر ممکن اقدامات اٹھائے جاتے ہیں۔

مذکورہ مسائل کے درمیان امید کی ایک کرن بھی نظر آتی ہے، حالیہ رپورٹس سے یہ بات سامنے آئی ہے کہ اگلے دو سے پانچ سالوں کے درمیان سعودی عرب کی جانب سے پاکستان میں25 ارب ڈالر کی سرمایہ کاری کیے جانے کے امکانات ہیں۔ سعودی عرب کی جانب سے یہ سرمایہ کاری کئی شعبوں میں کی جانی ہے جن میں کان کنی، زراعت، انفارمیشن ٹیکنالوجی وغیرہ شامل ہیں اور یہ سرمایہ کاری پاکستان کی وسیع معدنی دولت سے بھرپور فائدہ اٹھانے کے مترادف ہے جس کی مالیت ایک اندازے کے مطابق 6 ٹریلین امریکی ڈالر بنتی ہے، اس سے ہمیں اندازہ ہوتا ہے کہ روشن مستقبل کیلئے بہت بڑی مخفی توانائی موجود ہے۔ سعودی عرب کے ساتھ ساتھ دوست ممالک، جن میں عرب امارات اور چین بھی شامل ہیں، کی جانب سے اس قسم کی سرمایہ کے پیش نظر امید کی جاسکتی ہے کہ پاکستان میں معیشت کی بحالی اور استحکام کیلئے ہمارے پاس بڑے مواقع موجود ہیں۔

تعمیراتی سرگرمیوں کا ریاستی سطح پر کلی معاشی اقدامات سے گہرا تعلق ہوتا ہے۔ اگر حکومت براہ راست بیرونی سرمایہ کاری لانے میں کامیاب ہوتی ہے تو اس سے معاشی نشوونما کیلئے کافی گنجائش پیدا ہوگی، شرح سود میں بتدریج کمی آئے گی اور یقیناً ایسے حالات میں عوامی نوعیت کے پروجیکٹس شروع کیے جانے کے امکانات بھی روشن ہونگے جو کہ پہلے ہی زیر غور ہیں۔ بین الاقوامی معیارات کے مطابق، اگر تمام معاشی شعبوں میں سرگرمیوں میں تیزی لانا مقصود ہو تو لازم ہے کہ پاکستان میں سالانہ 30 ارب ڈالر کی سرمایہ کاری محض تعمیرات کے شعبے میں کی جائے۔

CEO'S MESSAGE

Shayan Akberali

Dear Shareholders,

I hope this note finds you all in good health and spirits. As we gather here to reflect upon the outgoing financial year and set our course for the future, I am acutely aware of the economic challenges that have tested us in FY-23. The simultaneous challenges of soaring energy costs, depleting foreign exchange, the high interest rate environment, the unprecedented depreciation of the Pakistani rupee, the political turmoil that has wrecked consumer confidence, and the looming uncertainty of Pakistan's financial default have indeed been formidable hurdles that we, as a company have had to navigate. However, I firmly believe that it is during such times that the true mettle of an organization is tested; it will be our collective resilience and determination that will steer us through these challenging times.

The significant drop in demand of steel bars due to the highly uncertain and volatile economic and political landscape has been a challenge that has reverberated throughout the industry. With inflation having peaked at 29% and with the price of steel bars having touched an all-time high of Rs.310,000 per ton, the cost of construction has sky rocketed and has now become unaffordable for many segments of our society. This can be seen in the volumetric decline of our sales tonnage which clocked in 38% lower in the year under review vs. the preceding year.

Our revenue for the outgoing fiscal year decreased by 21.8% as compared to last year, whereas our gross profit decreased by 8.2%. In quantity terms, sales volume of rebars saw a massive decline by 38% YoY, from 369,543 tons to 229,176 tons.

To compound to these challenges, the non-availability of Forex with the banks has severely impacted our ability to open Letter of Credits (LCs). LCs play a pivotal role in our international trade and procurement processes. The scarcity of USD has led to delays and disruptions in our supply chain and trade operations which has effectively resulted in lack of available finance lines to procure scrap at the levels required to meet our standard operations.

Doubling down on the reduced availability of scrap, the electricity prices have increased by over 57% in the outgoing fiscal year. With Pakistan having signed the IMF mandate, there is no other option for Pakistan but to drastically increase the electricity tariff and reduce its circular debt. The cost of steel scrap and the cost of electricity constitute 81% of your Company's COGS, and hence your Company had no other option but to pass on this price increase to the end consumer. With a huge cost-push inflation, the average price of steel increased by 30.6% in a matter of six months.

The high interest rate environment has taken a significant toll on your Company's bottom line. The increased cost of borrowing and servicing debt has squeezed our financial resources. Our finance team has worked diligently to manage our debt portfolio and optimize our capital structure, but even with these efficiencies in place, the high cost of borrowing, which has been the highest in Pakistan over the last 4 decades, is slaughtering the economy and strangulating growth. Traditionally, our finance costs to revenue ratio used to be around 4%; today we are seeing this ratio increased to 9% primarily due to the increase in the KIBOR rate.

In 2023, Amreli Steels continued its streak of bringing gold home by bagging the Effie Gold Award for the Best Campaign and the Pakistan Digital Award for Social Media Marketing on LinkedIn. With these latest wins, Amreli Steels became the first and only brand to complete a three-peat of wins on these reputed marketing forums in the combined category of steel, construction, allied industries and real estate in Pakistan. This repeated success is a testament of our commitment to build a brand of choice for our end consumer, our approach to innovate in all facets of business and our desire to be the standard bearer in the industry and as a result, Amreli continues to dominate others by remaining the largest selling brand of rebars in Pakistan both in terms of volume and value.

To conclude, the coming financial year is going to be highly challenging and will test the nerves of even the most resilient. We need to keep our head above water and keep adapting to the daily change and challenges that the country throws at us. The constantly changing landscape has demanded flexibility and the ability to adapt to new market conditions. As we move into the future, we will do so with the same unwavering determination and commitment that had defined us for years. Our strategic vision remains clear, and our resolve remains unshaken.

I would like to recognize the efforts of our executive management team for their leadership and hard work during these difficult times. I would also like to thank you for your support and confidence in the Company and would like to thank the government, customers, vendors and financial institutions for their continued support along with our employees and the management team for their deep level of commitment to the Company.

Yours sincerely,

Shayan Akberali
Chief Executive Officer
08 September 2023

Directors' Report to the Members

Esteemed Shareholders,

We are pleased to present the Directors' Report for your Company covering the financial year ended 30 June 2023. This period was marked by considerable challenges that not only impacted the steel industry but also impacted the broader economy of Pakistan. Undoubtedly, your Company encountered numerous obstacles and navigated through the uncertainties prevailing in the current economic and political landscape. However, amidst these testing times, our resilience was evident as we remained committed in our pursuit of excellence. This dedication has positioned your Company to address future challenges with confidence, establishing a robust foundation for a more promising and prosperous future.

Global Economy:

The world is currently facing a range of pressing issues on the global stage which range from climate change, the after effects of the pandemic to the persisting ongoing conflict in Ukraine which has led to heightened debt levels particularly in less prosperous nations together with the looming threat of increased inflation. Addressing these issues requires substantial financial resources for economic stability and climate solutions. However, the lack of robust international cooperation is hampering the transition towards resilient, equitable and environmentally sustainable economies.

The global economic landscape is showing signs of slowdown (after achieving a 3.1% growth rate in the previous year) as the world economy is expected to expand by a modest 2.1 percent this year due to efforts aimed at curbing the ever increasing global inflation numbers. Obstacles persist as a result of worldwide financial limitations and subdued global demand, exerting a negative influence on the growth trajectory of emerging and developing economies. Nonetheless, the global economic projection could deteriorate in the event of heightened stress levels within the banking sector, and if the inflationary trend persists, this would necessitate more stringent-than-expected monetary measures.

The situation underscores the necessity of implementing multifaceted policy measures. Foremost among these is the urgent need for comprehensive global financial regulatory reform, especially in response to recent events of bank failures. At the same time, international collaboration assumes critical importance in accelerating the transition to renewable energy, addressing the challenges posed by climate change, and providing financial relief to nations grappling with economic distress. The development and execution of credible strategies to contain inflation will ensure overall economic and financial equilibrium, and implement structural reforms that are crucial for establishing a robust foundation for sustainable and inclusive development.

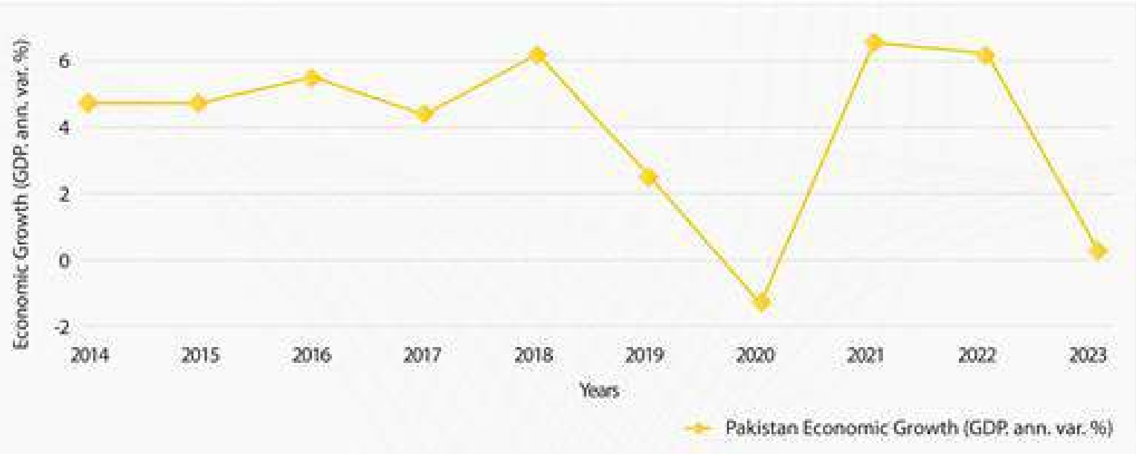
Domestic Economy:

The global trade dynamics have direct and indirect impacts on Pakistan's economy and its trade strategies. The complex interactions between export limitations, climate-related challenges, and shifting trade dynamics underscore the requirement for a flexible and forward-thinking approach to trade strategies by Pakistani decision-makers, businesses and other stakeholders. This synthesis highlights the importance of aligning domestic trade policies with the dynamic shift occurring in the global arena.

As one of the frontier economies, Pakistan encountered a multitude of challenges in the past year. Weak aggregate demand coupled with higher inflation, severe currency depreciation, and a widened current account deficit set the stage for tight financial policies right from the beginning of FY-2023. Compounding these difficulties, flash floods devastated significant parts of the country, resulting in supply disruptions and significant losses of crucial crops. Together, these occurrences contributed to a year of upheaval for the domestic economy and its various major industries.

The soaring inflation rate, reaching an alarming historical high of 29.4% in June 2023, has exerted a substantial impact on Pakistan's economic landscape. This inflationary surge is exacerbated by a mix of geopolitical uncertainties, intensifying the difficulties confronting the nation's economy. Additionally, the devaluation of the domestic currency has led to increased import expenses, thereby affecting the prices of imported raw materials crucial for various industrial sectors across Pakistan.

Variations in Economic Growth of Pakistan from 2014 to 2023

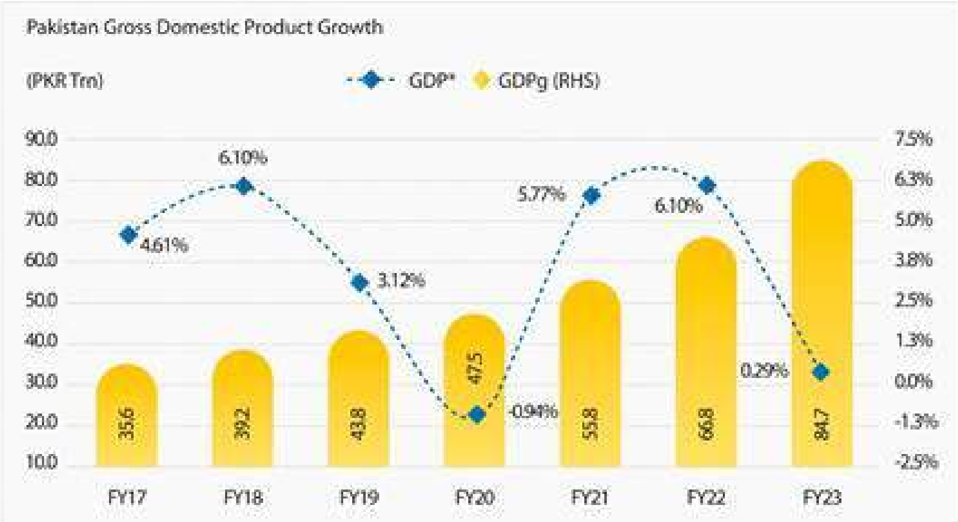


This chart displays Economic Growth (GDP, annual variation in %) for Pakistan from 2014 to 2023

Source: Pakistan Bureau of Statistics

The recently published preliminary GDP growth rate of 0.29% for the fiscal year 2023 highlights the influence of these macroeconomic imbalances on the overall economic performance. The consequences are particularly conspicuous in the Large Scale Manufacturing (LSM) sector, which recorded a substantial year-on-year contraction of 9.9% during FY23. This decline can be attributed to the effects of stringent macroeconomic policies, continually escalating operational expenses, increased borrowing costs, rising energy and utility expenses, as well as local economic and political instability. These factors have collectively exerted significant downward pressure on overall demand. Therefore, it is crucial to implement sustainable solutions and coordinate national-level efforts to address these challenges and promote economic stability in the midst of ongoing risks.

Pakistan Gross Domestic Product Growth



Source: Pakistan Bureau of Statistics

Recent figures from the Pakistan Bureau of Statistics (PBS) indicate that the cement production experienced a significant decline of 13.7 percent in FY23 compared to the preceding year. The import of steel and scrap iron also plummeted by 44 percent during FY23, reflecting a sharp slowdown in construction and industrial activities. Virtually all major industries within the Large Scale Manufacturing (LSM) sector reported noteworthy declines in their performance. According to data from the State Bank of Pakistan (SBP), imports of steel and scrap iron contracted from $4.959 billion in FY22 to $2.784 billion in FY23. Analysts attribute this concerning import trend to a significant devaluation of the rupee impacting demand negatively, and restrictions imposed by the SBP on opening letters of credit due to rapidly diminishing foreign exchange reserves. A detailed study conducted by the Pakistan Credit Rating Agency (PACRA) reveals that steel consumption in Pakistan has been declining for the past seven years when compared to the global average. This gradual reduction in consumption over time underscores the negative impact of inadequate economic policies.

The IMF's comprehensive Country Report on Pakistan provides valuable insights and a well-organized policy framework to effectively tackle the current economic challenges being faced by the nation. The diligent execution of these policies is seen as crucial to improving Pakistan's economic outlook in the coming years.

Financial Performance for the year ended 30 June 2023:

The financial year 2023 has indeed been a challenging period for the Company where the effects of adverse economic conditions, unconducive business environment and ever increasing cost of doing business including significantly rising financing cost has badly affected the financial performance of the Company.

A comparison of the key financial indicators of the Company for the year ended 30 June 2023 with the corresponding year is as under -

Particulars	30 June 2023	30 June 2022
	.... Rupees in thousands	....
Sales Revenue	45,492,724	58,184,282
Gross Profit	5,962,164	6,491,487
Operating Profit	4,006, 885	4,384,761
(Loss) / Profit Before Tax	(25,876)	2,078,064
(Loss) / Profit After Tax	(678,443)	1,325,515
(Loss)/ Earnings per share - basic and diluted (in Rupees)	(2.28)	4.46

During the financial year under discussion, your Company sold a total of 218,279 metric tons of prime rebars. This stands in contrast to the 361,588 metric tons recorded in FY-22, indicating a decrease in the Company's overall sales volume by 143,309 metric tons, which is 39.63% short from the previous financial year. In terms of value, the Company registered sales of Rs.45.49 billion as compared to Rs.58.18 billion in the previous fiscal year, the reasons for such decline are mentioned above. This drop of 21.81%, combined with a 23.53% reduction in the overall cost of sales, resulted in an 8.15% decrease in gross profit primarily due to lower sales volume when compared with corresponding year.

Analyzing the revenue breakdown, there was a slight decline in distribution expenses. This decline was mainly a result of reduced advertising expenditures. Conversely, administrative expenses rose by 2.06%, primarily influenced by higher depreciation cost and vehicle fuel cost. Provision for expected credit loss witnessed increase by Rs.114 million due to increase in the ageing of receivable. Operating profit declined by Rs.377 million or 8.62% as compared to previous year due to decline in gross profit by Rs.529 million and increase in costs by 27%.

Furthermore, there was a significant increase in finance costs, which rose from Rs.2.3 billion last year to Rs.4.03 billion in FY-23 mopping out entire operational profits and leaving the Company into loss before tax. The reason for such an enormous increase in the interest cost was due to the increase in average interest rates from 10% in FY-22 to 19% in FY-23.

As a cumulative consequence of these factors, the Company incurred a loss of Rs.26 million before tax for the fiscal year, in contrast to a profit before tax of Rs.2,078 million in the preceding year. Ultimately, the Company posted a net loss after tax of Rs.678 million, as opposed to a profit after tax of Rs.1,325 million in the previous year primarily due to an increase in deferred tax liability on account of recent changes in super tax law in fiscal budget for FY-24.

The persisting macroeconomic imbalances, uncertainty of surrounding government economic policies, overall economic contraction, reduced industrial growth, ongoing depreciation of the local currency, mounting inflationary pressures, additional tax measures especially the imposition of super tax, and regulatory adjustments collectively hindered the Company from fully passing on the rising operational costs. This combination of challenges inevitably resulted in a decline in the Company's overall profitability. However, in the face of these daunting circumstances, your Company showcased its resilience and unwavering commitment to overcoming adversity. Despite the industry-wide downturn, your Company persisted in implementing prudent strategies and taking decisive actions to mitigate the impact of these challenges on Company's operations. Our dedicated team remained agile in proactively identifying opportunities to optimize efficiency and strengthen its core capabilities, thus ensuring continuous growth and long-term sustainability.

Future Outlook:

The macroeconomic outlook for FY-24 presents an optimistic picture as the last government set the GDP growth rate at 2.5% as compared to 0.29% achieved in FY-23. Similarly, the anticipated trajectory for the headline Consumer Price Index (CPI) suggests moderation, with expectations for it to remain between 20-22% in FY-24. However, despite these positive indicators, several substantial challenges still require attention, particularly in the domain of debt servicing. The cost of servicing debt is anticipated to exceed PKR 7.8 trillion, constituting a staggering 83% of the projected revenue of around PKR 9.4 trillion. This allocation stands notably higher than the 10-year average of 45%, leaving a very limited room within the fiscal account for even crucial development expenditures, infrastructure development and several other social welfare initiatives. Furthermore, any potential increase in the policy rate by the State Bank of Pakistan could escalate the government's borrowing costs, intensifying the burden of debt servicing further.

Amidst the challenges faced in the current economic downturn, your Company is determined to remain strong and adaptable. The management team is proactively monitoring the economic situation and implementing cost-saving measures to enhance the Company's financial position. Despite the prevailing headwinds, the Company maintains a positive outlook for the future, drawing on market analysis and industry forecasts that point towards a promising turnaround for the steel sector in the coming year. With the anticipation of increasing demand and improved market conditions, the Company aims to seize upcoming opportunities and leverage its strengths to position itself for growth.

The Company's unwavering belief in its long-term potential and its confidence in its capacity to rebound when economic conditions improve, serve as the fundamental principles guiding its strategic choices. To accomplish these objectives, the Company will persistently focus on improving operational efficiencies, fostering innovation, and exploring fresh business opportunities.

Maintaining the highest standards of product quality and customer service will remain a top priority, ensuring a solid foundation for consistent growth and customer loyalty. As the Company steers through these challenging times, it remains dedicated to its vision and values, aiming to emerge from this period even stronger and more competitive in the evolving economic landscape. By remaining adaptable and forward-thinking, the Company is well-positioned to flourish when economic conditions take a positive turn, contributing to the expansion and prosperity of Pakistan's steel industry.

Role of Pakistan Association of Large Steel Producers:

The steel industry holds a crucial position in the Pakistani economy, contributing significantly to economic growth, government revenues, and employment generation. The steel sector in Pakistan is currently facing a severe crisis caused by a range of economic challenges. The Pakistan Association of Large Steel Producers (PALSP) has persistently called for immediate government action to address the challenges confronting the steel industry to ensure industry's survival and prevent its potential collapse. The Association has proposed a set of recommendations to combat smuggling steel rebars from neighboring Iran and Afghanistan, which includes stricter control and oversight at checkpoints, the adoption of digitalization to reduce corruption, and the imposition of penalties on those engaged in illegal trade. This illicit activity has resulted in substantial revenue losses to the Exchequer, undermined the viability of sales in the local market and poses a threat to the sustainability of steel producers.

Governance:

Corporate Governance and Financial Reporting Framework:

The Board of Directors of your Company is committed to upholding rigorous standards of effective corporate governance. The Directors affirm their adherence to the Corporate and Financial Reporting Framework established by the Securities and Exchange Commission of Pakistan and the Code of Corporate Governance for the following areas -

(a) The financial statements, prepared by the management of the Company, present its state of affairs, the results of its operations, cash flows and changes in equity fairly.

(b) The Company has maintained proper books of accounts.

(c) Appropriate accounting policies have been consistently applied to prepare the financial statements and accounting estimates are based on reasonable and prudent judgments.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in the preparation of financial statements.

(e) The system of internal controls is sound in design and has been effectively implemented and monitored. The process of monitoring the internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.

(f) There are no doubts upon the Company's ability to continue as a going concern.

(g) There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of the Rule Book of the Pakistan Stock Exchange Limited.

(h) A summary of key operating and financial data of the Company is annexed to this annual report.

(i) Information about taxes and levies is given in notes to the financial statements.

(j) The Company has an unfunded defined gratuity scheme for all permanent employees who have completed the minimum qualifying years of service for entitlement of gratuity. The provision for gratuity is in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of 30 June 2023 using Projected Unit Credit Method. Being an unfunded gratuity scheme, no investment could have been made and hence the value of investments as at 30 June 2023 stands Nil.

Board of Directors and its Committees;

The governance at Amreli Steels is a combination of processes established and executed by the Board of Directors and the management of the Company, which is reflected in the Company's structure and how it is managed and led toward achieving its goals as a whole.

The corporate governance structure of the Company is based on statutory and regulatory compliance requirements that are applicable to companies listed on the Pakistan Stock Exchange Limited and Company's Articles of Association complemented by several internal procedures. These procedures include a risk assessment and control system, as well as a system of assurances on compliance with applicable laws, regulations and the Company's Code of Conduct.

The Board of Directors of your Company is highly engaged in maintaining long-term and sustainable value creation founded on durable ideologies of governance. The Board comprises of three Independent Directors, two Non-Executive Directors and two Executive Directors.

The Board of Directors of the Company as of 30 June 2023 consists of:

Total Number of Directors	7
i) Men	6
ii) Women	1

The names and composition of the Board of Directors as of 30 June 2023 are as follows:

Composition of Directors	Name of Directors
a. Independent Directors	1) Badar Kazmi
	2) Teizoon Kisat
	3) Zafar Ahmed Taji
b. Non-Executive Director	4) Abbas Akberali
c. Female Non-Executive Director	5) Mariam Akberali
d. Executive Directors	6) Shayan Akberali
	7) Hadi Abbas Akberali

During the year, six (06) meetings of the Board of Directors took place. All the meetings took place in Pakistan. The attendance by each director in the meetings is as follows:

Name of Directors	Number of Meetings Attended
Abbas Akberali - Chairman	06/06
Teizoon Kisat	05/06
Badar Kazmi	05/06
Zafar Ahmed Taji	06/06
Shayan Akberali	06/06
Hadi Abbas Akberali*	04/04
Mariam Akberali	05/06
Kinza Shayan*	02/02

*Mr. Hadi Abbas Akberali was appointed as the Director of the Company by the Board of Directors in their meeting held on 24 February 2023 to fill the casual vacancy arose as a result of resignation by Ms. Kinza Shayan which was approved by the Board of Directors in the same meeting.

Board's Audit Committee:

The Board's Audit Committee (BAC) monitors the Company's systems of internal controls and risk management process periodically, assisting the Board in fulfilling its oversight responsibilities primarily in reviewing regulatory compliance risks and reporting financial and non-financial information to shareholders.

The BAC reviews and challenges, where necessary, the actions and judgments of management. The BAC has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer of the Company attends the BAC meetings by invitation to present the interim and annual accounts. After each meeting, the Chairman of the BAC reports to the Board.

During the year, six (06) meetings of the BAC took place. All the meetings took place in Pakistan. The attendance by each director in the BAC meetings is as follows:

Name of Directors	Number of Meetings Attended
Teizoon Kisat - Chairman	05/06
Badar Kazmi	06/06
Zafar Ahmed Taji	06/06
Kinza Shayan*	03/03

*Ms. Kinza Shayan resigned from the Directorship of the Company and her resignation was approved by the Board of Directors in their meeting held on 24 February 2023.

Human Resource and Remuneration Committee:

The purpose of the Human Resources & Remuneration Committee (HR&R) is to assist the Board in fulfilling its oversight responsibilities in the field of Human Resources, their development, succession planning and compensation and to perform all such responsibilities as are assigned to the HR&R Committee by the Act and the Code of Corporate Governance Regulations. During the year, one (01) meeting of the HR&R Committee took place. The meetings took place in Pakistan. The CEO of the Company is a member of the Board's HR&R Committee. The Head of HR attended the HR&R Committee meeting by invitation. The attendance by each Director in the HR&R Committee meeting is as follows:

Name of Directors	Number of Meetings Attended
Zafar Ahmed Taji - Chairman	01
Teizoon Kisat	01
Shayan Akberali	01

Annual Performance Evaluation of Board of Directors and Committees of the Board:

The Company ensures to evolve and follow the corporate governance guidelines and best practices sincerely to not just boost long term shareholders value but also to respect minority rights. The Company considers it as inherent responsibility to disclose timely and accurate information regarding financial performance as well as the leadership and governance of the Company. A report on annual performance evaluation of Board of Directors and its Committees is part of Chairman's Review which is annexed in this annual report.

Female Directors:

The Company is committed to promote gender diversity in the workplace and equal opportunities for all, based on merit and suitability. Female Director represent 14% of the composition of the Board of Directors of the Company. By having female director on Board, the Company also complies with section 154 of the Companies Act, 2017 and Code of Corporate Governance Regulations. The Board and management of the Company encourage females to join the organization.

Review of CEO's Performance:

The performance of the CEO is reviewed against pre-determined operational and strategic goals aligned with the Vision, Mission and Values of the Company. The well-defined appraisal system includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

Directors' Remuneration:

The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and Code of Corporate Governance. The remuneration of the Board members is approved by the Board. In accordance with the Code of Corporate Governance, it is ensured that no Director takes part in the proceedings of the Board Meetings in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. The Company's remuneration policies are structured in line with prevailing industry trends and business practices. The details of the Directors and CEO's remuneration are adequately disclosed in respective notes to the financial statements.

Directors' Training:

The Board conducts orientation courses for Directors as necessary to familiarize them with their responsibilities as outlined in the Companies Act, 2017, and the Code of Corporate Governance. The Company ensures that new Directors receive appropriate briefing and orientation materials that provide them with firsthand knowledge of the Company's operations.

All Board members have either completed the Directors' Training Program certification or are exempt from this requirement in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

To keep Board Members informed about changes in Corporate Laws, the Company regularly organizes refresher courses aimed at acquainting them with recent updates in Corporate Laws and other relevant rules and regulations. These sessions also extend to senior executives within the Company.

External Auditors:

The present auditors, M/s. EY Ford Rhodes, Chartered Accountants are retiring at the conclusion of the annual general meeting being held on 24 October 2023 and are not offering themselves for re-appointment expressing their inability to carry out the audit for the year ending 30 June 2024 based on their internal procedures. The Audit Committee and the Board have recommended M/s. BDO Ebrahim & Co, Chartered Accountants as the statutory auditors of the Company for the year ending 30 June 2024, subject to the approval of the shareholders in the Annual General Meeting of the Company.

M/s. BDO Ebrahim & Co. Chartered Accountants (the firm) has confirmed that it has been awarded a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the guidelines of the International Federation of Accountants (IFAC) on the code of ethics, as adopted by the ICAP.

The Board of Directors and the management appreciated the retiring auditors for their professional services provided to the Company over the last sixteen years.

Internal Audit:

The Company has an independent Internal Audit function comprising personnel who are considered suitably qualified and experienced for the purpose and are well conversant with the policies and procedures of the Company. The department is overseen by the Head of Internal Audit who functionally reports to the Board's Audit Committee and administratively reports to the Chief Executive.

Strategic Planning:

The Board of Directors regularly review the strategic direction of the Company in Board Meetings. The Board ensures that short term & long term business and operational strategies established by the management are in line with the Company's overall business objectives.

Material Changes Concerning the Nature of the Business:

During the financial year under review, there has been no material change concerning the nature of business of the Company.

Material Changes Between Balance Sheet Date and Reporting Date (Subsequent Events):

There have been no material changes since 30 June 2023 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Pattern of Shareholding:

The Pattern of shareholdings as of 30 June 2023 is annexed with this annual report.

Communication with Shareholders:

The Company places high priority on timely communication with its shareholders. The annual and interim financial results are disseminated to all concerned immediately upon their approval by the Board of Directors as per the compliance requirements.

The Company also has a website (www.amrelisteels.com) which, inter-alia, contains up-to-date information on the Company's activities, financial reports, notices and announcements.

The Company has a dedicated email ID (i.e. investor-relations@amrelisteels.com) to address and gives due priority to the queries of its shareholders and take appropriate measures to resolve their grievances.

Safeguarding of Records:

The Company has a well-defined system for safeguarding of its physical, intellectual and digital assets in an effective manner. The Company puts ample importance on storage and the safe custody of its financial records. The Company uses SAP as an ERP system for recording its financial information. The access to electronic documentation has been secured through implementation of a comprehensive password protected authorization matrix in SAP-ERP system.

As required by the Companies Act, 2017, records of all circular resolutions and minutes of Board Meetings are maintained in physical form for at least 10 years and for good in electronic form. Further, records of members' resolutions and minutes of general meetings are preserved both physically and in electronic form respectively for 20 years and permanently.

Principal Activities of the Company (Nature of Business):

The Company is engaged in manufacturing and selling of steel bars and billets and is the largest manufacturer of steel reinforcement bars in Pakistan. The Company's product portfolio includes high strength deformed bars as per American and British specifications. Amreli Steels is ISO 9001:2008 and PSQCA certified.

Principal Risk and Uncertainties:

The Company has set up an internal audit function within the Organization which operates under the Board approved charter and provides independent and objective evaluations for reporting directly to the Audit Committee on the effectiveness of risk management and control processes. The identified risks and the respective control measures in terms of preventive, detective and corrective activities are regularly monitored and reported in a timely manner. The Company has also formulated policies and procedures which are considered a vital part of the Company's risk governance framework to determine risks and develop strategies to mitigate those risks. A detailed description on risk and uncertainties is presented in the "Risk Management Report", which is part of this annual report.

Modification in the Audit Report:

The External Auditors of the Company have provided a clean opinion on the state and affairs of the Company and the same is enclosed in this annual report; and as such, there has been no modification in the Auditors' Report for the year under review.

Holding Company:

The Company does not have any parent company nor a subsidiary company.

Payment Methodology:

The Company strongly believes in timely payments of its debts to all its stakeholders and has not defaulted on any payment during the outgoing financial year.

Internal Control Framework:

The Board acknowledges its responsibility towards the implementation of an effective internal control environment throughout the organization. Your Company has set up an efficient and effective internal audit function which rigorously monitors the control environment of the Company. A comprehensive report on internal controls of the Company is presented in this annual report.

Business Continuity Plan:

The Company's comprehensive Business Continuity Plan (BCP) is in place which includes activities required to keep the organization running without interruption of normal operations during a period of disaster. The report on BCP is annexed in this annual report.

Health, Safety and Environment - Impact of the Company's Business on the Environment:

The Company is committed to developing, promoting and achieving the highest standards of Health, Safety and Environment (HSE) to ensure the well-being of people who work with us as well as of the communities where we operate. The detailed policy of HSE is enclosed in this annual report.

Human Resource Management:

The Company employs a talented workforce that steers the organization towards its vision through professional development and motivation. The Company has been on a journey of Human Resource (HR) transformation. The HR strategy is constantly evolving to meet the needs and challenges of an organization operating in an evolving market.

Employees' Retirement Benefits:

The Company has an unfunded defined gratuity scheme for all permanent employees who have completed the minimum qualifying years of service for entitlement of gratuity. The provision for gratuity is in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out on 30 June 2023 using Projected Unit Credit Method.

Activities under Corporate Social Responsibility:

Contribution to the community has been at the core of Amreli Steels since its inception and the Company strongly believes in improving the standards of living of its employees and the community at large. A comprehensive report on CSR Activities of the Company is part of this annual report with the caption of "Corporate Social Responsibility".

The Corporate Governance Practices:

The Board of Directors of the Company is committed to the principles of good Corporate Governance. The corporate governance practice of the Company is based on statutory and regulatory compliance requirements that are applicable to companies listed on the Pakistan Stock Exchange Limited and Company's Articles of Association complemented by several internal procedures. The Board is responsible for governing the organization by setting strategies and objectives of the Company. The management is required to adopt and formulate policies and guidelines for achieving the said goals and objectives.

Dividend and Appropriations:

As detailed in this financial report, the Company experienced a financial deficit of Rs.0.678 billion for the year under review. Given this financial shortfall and considering the volatile and uncertain business environment within the country, the Company regrettably cannot recommend any distribution of cash dividends for the fiscal year ended on 30 June 2023.

Contribution to National Exchequer:

The Company contributed Rs.10.6 billion (FY 2022: Rs.13.8 billion) towards the National Exchequer on account of various government levies, taxes and import duties in the year under review which dropped by 23% as against last year due to decline in Company's sales volume by 38%.

Code of Conduct:

The Code of Conduct of the Company defines what we stand for and believe in, documenting the uncompromisingly high ethical standards our Company has upheld since its foundation. Strong business ethics forms the basis for all of our relationships with employees, customers, competitors, suppliers and colleagues. It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards.

Operating & Financial Data:

Operating and financial data and key ratios of the Company for the last six years are annexed to this annual report.

Acknowledgement:

The Board wishes to convey its profound gratitude to esteemed stakeholders, comprising shareholders, customers, financial institutions and valued suppliers for their unwavering trust and steadfast support. Your confidence has been instrumental in our pursuit of excellence.

In addition, the Board would like to take this opportunity to express its sincere acknowledgment and appreciation for the dedication, tireless commitment, and valuable assistance consistently demonstrated by the management team and dedicated employees. Their relentless efforts have played an integral role in managing the Company under extremely difficult and trying circumstances.

We deeply value the contributions and collaborative spirit of all our stakeholders, and we remain committed to upholding the highest standards of corporate governance and ethical business practices to ensure that we continue to earn and maintain your trust in the years ahead.

For & on behalf of Board of Directors

Shayan Akberali
Chief Executive Officer

Teizoon Kisat
Director

22 September 2023
Karachi

کاروباری اور مالیاتی معلومات:

کمپنی سے متعلق مالیاتی اور کاروباری معلومات اور گزشتہ چھ سالوں سے متعلق اہم ترین تناسبات کو بھی رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

اظہار تشکر:

بورڈ کی جانب سے تمام معزز شراکت داروں بشمول شیئر ہولڈرز، صارفین، مالیاتی اداروں اور گرانقدر سپلائرز کا تہہ دل سے شکریہ ادا کیا جاتا ہے کہ آپ کا اعتماد ہمارے شامل حال رہا۔

مزید برآں اس موقعے کا فائدہ اٹھاتے ہوئے، بورڈ انتظامی ٹیم اور ملازمین کا تہہ دل سے شکریہ ادا کرنا چاہتا ہے جن کی جانب سے دلی لگن، انتھک وابستگی، گرانقدر معاونت اور انتھک کوششوں نے انتہائی مشکل حالات میں بھی کمپنی کو سنبھالے رکھا۔

ہم اپنے تمام شراکت داروں کے تعاون اور خیر سگالی کے جذبے کی دل کی گہرائیوں سے قدر کرتے ہیں، اور ہم اس بات کیلئے پرعزم ہیں کہ کارپوریٹ گورننس اور بہترین کاروباری طریقوں کے اعلیٰ ترین معیارات کو برقرار رکھا جائے تاکہ اس بات کو یقینی بنایا جاسکے کہ ہم آئندہ برسوں میں بھی آپ کا اعتماد حاصل کرتے رہیں اور اسے برقرار رکھنے میں کامیاب رہیں۔

برائے ومنجانب بورڈ آف ڈائریکٹرز

شایان اکبر علی
چیف ایگزیکٹیو آفیسر

تیزون کیسٹ
ڈائریکٹر

22 ستمبر 2023
کراچی

ریٹائرمنٹ پر ملازمین کیلئے سہولیات :

کمپنی کی جانب سے ایسے تمام ملازمین کیلئے جو کہ ایک مقررہ مدت ملازمت پوری کر چکے ہیں ایک غیر منظور اور غیر فنڈ شدہ گریجویٹی اسکیم قائم کی گئی ہے۔ گریجویٹی کیلئے تخمینے بناتے وقت حقیقت سے قریب ترین قیاس پر مبنی مندرجات کو درج کیا جاتا ہے۔ تازہ ترین قیاسات 30 جون 2023 کے پیش کئے گئے تھے جن کیلئے پروجیکٹڈ یونٹ کریڈٹ میتھڈ کو بنیاد بنایا گیا تھا۔

کارپوریٹ معاشرتی ذمہ داریوں کے تحت اقدامات (Corporate Social Responsibility):

کمپنی کے آغاز سے ہی کمپنی کی جانب سے معاشرے کی فلاح و بہبود کے سلسلے میں اپنا کردار ادا کرنے کو بنیادی اہمیت دی جاتی رہی ہے اور کمپنی اس بات پر مصمم یقین رکھتی ہے کہ کمپنی کی جانب سے بالخصوص اپنے ملازمین اور بالعموم پورے معاشرے کے معیار زندگی کو بلند کرنے کیلئے کوششیں کی جائیں۔ CSR سے متعلق ایک تفصیلی رپورٹ کو زیر نظر سالانہ رپورٹ کے ساتھ بعنوان (Corporate Social Responsibility) منسلک کیا گیا ہے۔

کارپوریٹ گورننس کی پاسداری :

کمپنی کے بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کی اچھی روایات پر کاربند رہنے سے متعلق پر عزم ہیں۔ کمپنی کی جانب سے کارپوریٹ گورننس کے اصولوں پر عمل درآمد کیا جانا ان قواعد اور ضوابط کی رو سے لازم ہے جن کا اطلاق پاکستان اسٹاک ایکسچینج میں لسٹڈ کمپنیوں پر ہوتا ہے اور ان اصولوں پر عمل درآمد کیلئے کمپنی اپنے آرٹیکلز آف ایسوسی ایشن اور بہت سے اندرونی ضوابط کے تحت بھی پابند ہے۔ بورڈ اس بات کا بھی ذمہ دار ہے کہ کمپنی کے امور کو چلانے کیلئے حکمت عملیاں بنائے اور اہداف مقرر کرے۔ انتظامیہ پر اس بات کی ذمہ داری عائد ہوتی ہے کہ ان اہداف اور مقاصد کے حصول کیلئے رہنما اصول پالیسیاں مرتب کرے۔

ڈیویڈنڈ اور اسکی تقسیم:

جیسا کہ اس مالیاتی رپورٹ میں تفصیل سے بتایا گیا ہے، کمپنی کو زیر جائزہ سال کے لیے 0.678 بلین روپے کے مالی خسارے کا سامنا کرنا پڑا۔ اس مالیاتی خسارے کو دیکھتے ہوئے اور ملک کے اندر غیر مستحکم اور غیر یقینی کاروباری ماحول کے مدنظر، بڑے افسوس کے ساتھ کمپنی کی جانب سے مالی سال اختتامیہ 30 جون 2023 کے لیے نقد منافع کی تقسیم کی سفارش نہیں کی گئی۔

قومی خزانے میں حصہ:

کمپنی نے مختلف سرکاری محصولات، ٹیکسوں اور درآمدی محصولات کی مد میں قومی خزانے میں 10.60 بلین روپے (مالی سال 2022: روپے 13.8 بلین) کا حصہ شامل کیا ہے جو کمپنی کے فروخت کے حجم کی 38% کمی کی بناء پر پچھلے سال کے مقابلے میں 23% کم ہو گیا ہے۔

ضابطہ اخلاق:

کمپنی کا ضابطہ اخلاق سے یہ بات صاف طور پر واضح ہوتی ہے کہ اپنے آغاز سے لے کر آج تک اعلیٰ اخلاقی روایات کا دامن تھامے ہوئے ہے ان روایات کی پاسداری پر کسی بھی قسم کا کوئی سمجھوتہ نہیں کرتی۔ اعلیٰ کاروباری اخلاقیات ہی وہ بنیادی اصول ہیں جن کی بنیاد پر ہمارے تعلقات ہمارے ملازمین، صارفین، مسابقت کاروں، ترسیل کاروں اور ہم عصروں سے استوار ہیں۔ یہ کمپنی کی بنیادی پالیسی کا لازمی حصہ ہے کہ کاروباری امور میں دیانت داری اور اعلیٰ اخلاقی اور قانونی اقدار کا دامن کبھی بھی نہ چھوڑا جائے۔

آڈٹ رپورٹ میں تبدیلیاں :

کمپنی کے افعال سے متعلق کمپنی کے بیرونی آڈیٹرز کی جانب سے شفاف رپورٹ پیش کی گئی ہے جسے سالانہ رپورٹ کے ساتھ منسلک کیا جا چکا ہے اور زیر نظر مالی سال سے متعلق آڈیٹرز کی رپورٹ میں کوئی تبدیلی واقع نہیں ہوئی۔

ہولڈنگ کمپنی :

کمپنی کی نہ کوئی سرپرست کمپنی ہے اور نہ ہی کوئی ذیلی کمپنی ہے۔

ادائیگیوں کا طریقہ کار :

کمپنی اپنے تمام قرض خواہوں اور شراکت داروں کو ان کے واجبات کی بروقت ادائیگی پر یقین رکھتی ہے اور ختم ہونے والے مالی سال کے دوران کسی بھی لحاظ سے نادہندہ نہیں رہی۔

اندورنی کنٹرول کا نظام :

بورڈ اندرونی کنٹرول کے نظام کو پوری کمپنی میں موثر انداز سے نافذ کرنے اور چلانے کے سلسلے میں اپنی ذمہ داریوں سے بخوبی واقف ہے۔ آپ کی کمپنی کی جانب سے ایک انتہائی موثر اور جامع اندرونی آڈٹ کا نظام قائم کیا گیا ہے جو انتہائی مستعدی اور سختی کے ساتھ کمپنی میں کنٹرول کی کڑی نگرانی کرتا ہے۔ کمپنی کے اندرونی کنٹرول سے متعلق ایک جامع رپورٹ "Internal Control Framework" سالانہ رپورٹ کے ساتھ منسلک کی گئی ہے۔

کاروباری تسلسل کی منصوبہ بندی (Business Continuity Plan) :

کمپنی کی جانب سے کاروبار میں تسلسل کیلئے بنائے جانے والا منصوبہ (BCP) نافذ العمل ہے جس کے اجزائے ترکیبی میں ایسے افعال کو شامل کیا گیا جن کے تحت خراب اور غیر معمولی حالات میں بھی کمپنی کے امور سرانجام دیئے جا سکتے ہیں۔ (BCP) سے متعلق معلومات کو رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

صحت، حفاظت اور ماحولیات۔ کمپنی کے کاروباری افعال کے ماحول پر اثرات (HSE Policy) :

کمپنی صحت، حفاظت اور ماحول کے سلسلے میں اعلیٰ معیارات کے حصول کیلئے پرعزم ہے تاکہ ان افراد کی فلاح و بہبود کو یقینی بنایا جا سکے جو ہمارے ساتھ کام کرتے ہیں اور اس کمیونٹی کا خیال بھی رکھا جائے جس میں رہ کر ہم کام کرتے ہیں۔ "HSE Policy" کو رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

ہیومن ریسورس مینجمنٹ :

کمپنی کی جانب سے ایسے پرعزم افراد کو لیا جاتا ہے جو کمپنی کے وژن کے مطابق پیشہ ورانہ مہارتوں اور عزائم کے ساتھ کمپنی کو چلانے کے اہل ہوں۔ کمپنی اس وقت ہیومن ریسورس کے اصلاحی دور سے گزر رہی ہے۔ کمپنی کی ہیومن ریسورس پالیسیوں کو مستقل بنیادوں پر جانچا جاتا ہے تاکہ ابھرتی ہوئی مارکیٹ کے ماحول میں پیدا ہونے والی ضروریات اور چیلنجوں سے نبرد آزما ہوا جا سکے۔

حصص داران سے روابط :

کمپنی اپنے حصص داران کے ساتھ بروقت روابط کو ترجیح دیتی ہے۔ کوڈ کی پاسداری کرتے ہوئے تمام عبوری اور سالانہ مالیاتی دستاویزات کو بورڈ آف ڈائریکٹرز کی جانب سے منظور کئے جانے کے فوراً بعد متعلقہ افراد کو ارسال کر دیا جاتا ہے۔

کمپنی کی جانب سے ایک ویب سائٹ (www.amrelisteels.com) بھی موجود ہے جس پر کمپنی کے تمام کاروباری افعال، مالیاتی نتائج، اطلاعات اور اعلانات کی مستقل اشاعت اور تجدید کی جاتی ہے۔

کمپنی کی جانب سے حصص داران کے مسائل اور سوالات کے حصول کیلئے ایک ای میل پتہ (investor-relations@amrelisteels.com) بھی فراہم کیا گیا ہے۔ اس کام کو ترجیحی بنیادوں پر کیا جاتا ہے اور انکے مسائل کو حل کرنے کیلئے ہر ممکن کوشش کی جاتی ہے۔

ریکارڈ کی حفاظت :

کمپنی کے پاس اپنے فزیکل فکری اور ڈیجیٹل اثاثوں کی مؤثر طریقے سے حفاظت کے لیے ایک کارگر نظام موجود ہے۔ کمپنی اپنے مالیاتی ریکارڈ کو محفوظ کرنے اور حفاظتی تحویل میں رکھنے کا خاص اہتمام کرتی ہے۔ کمپنی اپنی مالی معلومات کو ریکارڈ کرنے کے لیے SAP کو بطور ERP سسٹم استعمال کرتی ہے۔ الیکٹرانک دستاویزات تک رسائی کیلئے SAP-ERP کے نظام میں پاس ورڈ سے محفوظ بنائے گئے ایک جامع اجازتی میٹرکس کو نافذ کیا گیا ہے۔

کمپنیز ایکٹ 2017 کے قواعد کے تحت تمام سرکلرز، قراردادوں اور بورڈ کے اجلاسوں کی کاروائی کا ریکارڈ کم از کم 10 سال تک کاغذی صورت میں اور الیکٹرانک صورت میں ہمیشہ کے لیے رکھا جاتا ہے۔ مزید برآں ممبران کی قراردادوں اور سالانہ عمومی اجلاسوں کی کاروائی کا ریکارڈ بالترتیب 20 سال تک کاغذی صورت میں اور الیکٹرانک صورت میں مستقلاً محفوظ کیا جاتا ہے۔

کمپنی کے اہم افعال (کاروبار کی نوعیت) :

کمپنی بنیادی طور پر اسٹیل کے بلٹس اور ریبارز کی پیداوار اور فروخت کے کاروبار سے منسلک ہے۔ کمپنی پاکستان میں اسٹیل کی پیداوار سے منسلک چند بڑی کمپنیوں میں سے ایک ہے۔ کمپنی کا پورٹ فولیو امریکی اور برطانوی معیار کے مطابق اعلیٰ معیار کے مضبوط ڈی فورمڈ بارز پر مشتمل ہے اور کمپنی ISO9001:2008 اور PSQCA جیسے سرٹیفکیٹس کی بھی حامل ہے۔

کمپنی کو لاحق بنیادی خطرات اور غیر یقینی صورتحال :

کمپنی کی جانب سے کمپنی کے اندر ایک اندرونی آڈٹ فنکشن قائم کیا گیا ہے جو بورڈ کی جانب سے منظور شدہ چارٹر کے تحت کام کرتا ہے اور کمپنی میں خطرات سے نمٹنے اور کنٹرول کے نظام پر آڈٹ کمیٹی کو براہ راست آزادانہ اور معروضی تجزیئے اور رپورٹس پیش کرتا ہے۔ کمپنی کو لاحق خطرات کی بروقت نشاندہی کی جاتی ہے اور ان خطرات سے نمٹنے کی غرض سے اقدامی، دفاعی اور اصلاحی تدابیر کو باقاعدگی کے ساتھ بروقت اختیار کیا جاتا ہے۔

کمپنی کی جانب سے ایسی پالیسیاں اور ضوابط بھی وضع کئے گئے ہیں جو کہ کمپنی کو لاحق خطرات سے نمٹنے کی غرض سے بنائے جانے والے رسک گورننس فریم ورک کا لازمی جزو ہے اور ان کے تحت کمپنی کو لاحق خطرات کو کم کرنے کی مسلسل کوششیں کی جاتی ہیں۔ کمپنی کو لاحق اہم خطرات اور غیر یقینی صورتحال سے متعلق " Risk Management Report " میں تمام تر تفصیلات مزکور ہیں جسے سالانہ رپورٹ سے منسلک کیا جا چکا ہے۔

بیرونی آڈیٹرز:

موجودہ آڈیٹرز میسرز EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس 24 اکتوبر 2023 کو منعقد ہونے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور اپنی ذاتی وجوہات کی بنیاد پر ان کی جانب سے 30 جون 2024 کو ختم ہونے والے مالی سال کا آڈٹ کرنے کیلئے اپنی خدمات پیش کرنے سے معذرت کی گئی ہے۔ آڈٹ کمیٹی کی سفارشات پر بورڈ کی جانب سے میسرز .BDO Ebrahim & Co، چارٹرڈ اکاؤنٹنٹس کو مالی سال اختتامیہ 30 جون 2024 کا آڈٹ کرنے کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر تعینات کرنے کی سفارش کی گئی، ان کی تعیناتی سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

میسرز BDO Ebrahim & Co چارٹرڈ اکاؤنٹنٹس (فرم) نے تصدیق کی ہے کہ انھیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریٹنگ دی گئی ہے اور یہ فرم ضابطہ اخلاق سے متعلق انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس کی جانب سے اپنائے گئے ان بین الاقوامی رہنما اصول کی مکمل تعمیل کرتی ہے جنھیں انٹر نیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی جانب سے وضع کیا گیا ہے۔

بورڈ آف ڈائریکٹرز اور انتظامیہ ریٹائر ہونے والے آڈیٹرز کو ان کی سولہ سالہ پیشہ ورانہ خدمات کے اعتراف میں خراج تحسین پیش کرتے ہیں۔

اندرونی آڈٹ:

کمپنی میں ایک غیر جانبدار آڈٹ نظام نافذ العمل ہے جس میں ایسے افراد شامل ہیں جنہیں اس مقصد کے لیے موزوں اور تجربہ کار سمجھا جاتا ہے اور وہ کمپنی کی پالیسیوں اور طریقہ کار سے بخوبی واقف ہیں۔ اس شعبے کی نگرانی اندرونی آڈٹ کے سربراہ کے ذمے ہے جو عملی طور پر بورڈ کی آڈٹ کمیٹی کو اور انتظامی طور پر چیف ایگزیکٹو کو رپورٹ پیش کرنے کا پابند ہے۔

کاروباری حکمت عملی:

بورڈ آف ڈائریکٹرز کی جانب سے بورڈ کے اجلاسوں میں کمپنی کی حکمت عملی اور سمت کے تعین کا مسلسل جائزہ لیا جاتا ہے۔ بورڈ اس بات کو یقینی بناتا ہے کہ کمپنی کی انتظامیہ کی جانب سے کاروباری افعال کو سرانجام دینے کیلئے طویل المیعاد اور قلیل المیعاد حکمت عملیاں کمپنی کے مجموعی اہداف سے ہم آہنگ ہوں۔

کاروبار کی نوعیت میں اہم تبدیلیاں:

زیر نظر مالی سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی اہم بنیادی تبدیلی واقع نہیں ہوئی ہے۔

بیلنس شیٹ اور رپورٹنگ کی تاریخوں کے مابین اہم تبدیلیاں (مابعد واقعات):

30 جون 2023 سے رپورٹنگ کی تاریخ تک کوئی غیر معمولی واقعات پیش نہیں آئے اور نہ ہی کمپنی کی جانب سے کوئی ایسا معاہدہ ہوا ہے جس کی بنیاد پر کمپنی کے مالیاتی نتائج پر کوئی منفی اثرات مرتب ہوں۔

ترتیب حصص داری:

بتاریخ 30 جون 2023 ترتیب حصص داری زیر نظر سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ اوراس کی کمیٹیوں کی سالانہ کارکردگی کا جائزہ :

کمپنی کی جانب سے اس بات کیلئے مخلصانہ کوششیں کی جاتی ہیں کہ کمپنی میں کارپوریٹ گورننس اور سنہرے اصولوں کی مکمل پاسداری کو ممکن بنایا جائے نہ صرف اس لئے کہ حصص داران کے سرمایہ کاری کی قدر میں طویل المیعاد اضافہ کیا جائے بلکہ اس لئے بھی اقلیتی حقوق کی حفاظت کو بھی ممکن بنایا جا سکے۔ کمپنی اس بات کو اپنی بنیادی ذمہ داری سمجھتی ہے کہ مالیاتی معلومات کو بروقت اور صحیح صحیح پیش کیا جائے اور کمپنی لیڈرشپ اور گورننس کو بھی منظر عام پر لایا جائے۔ بورڈ اوراس کی کمیٹیوں کی سالانہ کارکردگی چیرمین جائزہ کا حصہ ہے۔

خواتین ڈائریکٹرز :

کمپنی اس بات کیلئے پرعزم ہے کہ کام کی جگہ مرد و خواتین کے امتزاج میں مزید بہتری پیدا کی جائے اور برابری کی بنیاد پر مواقع فراہم کئے جائیں جس کی بنیاد میرٹ اور مستقل مزاجی ہو۔ بورڈ کے ممبران میں 14 فیصد خواتین شامل ہیں۔ بورڈ میں خواتین ممبران کو شامل کئے جانے سے کمپنی کی جانب سے کمپنیز ایکٹ 2017 کے سیکشن 154 اور کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 پر بھی عمل کیا جارہا ہے۔ بورڈ اور کمپنی انتظامیہ کی جانب سے خواتین کی حوصلہ افزائی کی جاتی ہے کہ وہ کمپنی میں شمولیت اختیار کریں۔

سی ای او (CEO) کی کارکردگی کا جائزہ :

چیف ایگزیکٹیو آفیسر کی کارکردگی کا جائزہ کمپنی کے وژن اور مشن کے مطابق متعین کردہ کاروباری اہداف اور وضع کی گئی حکمت عملیوں پر عملدرآمد کی روشنی میں کیا جاتا ہے۔ کارکردگی کی جانچ کا ایک جامع نظام موجود ہے جس کے تحت کاروباری کارکردگی، منافع سے متعلق اہداف کے حصول، تنظیم سازی، جانشینی کی منصوبہ بندی اور کارپوریٹ اہداف کے حصول کو مدنظر رکھا جاتا ہے۔

ڈائریکٹرز کا معاوضہ :

بورڈ کی جانب سے کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق ڈائریکٹروں کے معاوضے کے سلسلے میں ایک شفاف اور واضح پالیسی مرتب کی گئی ہے۔ بورڈ کے ممبران کے معاوضے کے سلسلے میں بذات خود بورڈ کی جانب سے ہی منظوری دی جاتی ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کے ضوابط کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر کسی ایسے اجلاس میں شرکت نہ کرے جس میں اس کا اپنا معاوضہ متعین کیا جارہا ہو۔ کمپنی کی جانب سے غیر انتظامی ڈائریکٹرز کو معاوضہ ادا نہیں کیا جاتا بجز اس کے کہ وہ اجلاسوں میں شرکت کیلئے تشریف لائیں تو انھیں اس شرکت کیلئے فیس ادا کی جاتی ہے۔ بہترین افرادی قوت کو یکجا رکھنے کی غرض سے کمپنی کی یہ پالیسی ہے کہ معاوضے کا تعین مارکیٹ اور کارپوریٹ دنیا کی بہترین روایات کے مطابق کیا جائے۔ ڈائریکٹرز اور (CEO) کے معاوضے سے متعلق تفصیلی معلومات کو مالیاتی دستاویزات سے منسلک متعلقہ نوٹس کا حصہ بنایا گیا ہے۔

ڈائریکٹرز کی تربیت:

بورڈ اپنے ڈائریکٹرز کے لیے واقفیتی کورس (Orientation Course) کا انعقاد کرتا ہے تاکہ انھیں ان کی ذمہ داریوں سے واقف کرایا جا سکے جو کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس میں بیان کی گئی ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ نئے ڈائریکٹرز کو مناسب بریفنگ اور تعارفی مواد فراہم کیا جائے تاکہ انھیں کمپنی کے امور کے بارے میں فرائض منصبی کی ادائیگی کیلئے معلومات حاصل ہوں۔

بورڈ کے تمام ممبران نے یا تو ڈائریکٹرز ٹریننگ پروگرام سرٹیفیکیشن مکمل کرلیا ہے یا لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق اس سے مستثنیٰ ہیں۔

بورڈ کے ممبران کو کارپوریٹ قوانین میں ہونے والی تبدیلیوں سے آگاہ رکھنے کے لیے، کمپنی باقاعدگی سے تجدیدی کورسز کا انعقاد کرتی ہے جس کا مقصد انہیں کارپوریٹ قوانین اور دیگر متعلقہ قواعد وضوابط کی تجدید سے آگاہ رکھنا ہے۔ ان تجدیدی کورسز میں کمپنی کے سینئر ایگزیکٹیوز کو بھی حصہ بنایا جاتا ہے۔

*جناب ہادی عباس اکبرعلی کو بورڈ آف ڈائریکٹرز کے اجلاس منعقدہ 24 فروری 2023 میں بطور کمپنی ڈائریکٹر تعینات کیا گیا، انکی تعیناتی کنزہ شایان کے مستعفی ہونے سے بورڈ میں پیدا ہونے والی آسامی پُر کرنے کے نتیجے میں عمل میں آئی اور بورڈ کے اسی اجلاس میں محترمہ کنزہ شایان کا استعفیٰ بھی منظور کیا گیا تھا۔

بورڈ کی آڈٹ کمیٹی (Audit Committee):

بورڈ کی آڈٹ کمیٹی کمپنی کے اندرونی کنٹرول کے نظام اور خطرات سے نمٹنے کے نظام کی مسلسل بنیادوں پر نگرانی کرتی ہے اور بورڈ کی جانب سے نگرانی کے عمل بالخصوص ضوابط کی پاسداری، مالیاتی اور غیر مالیاتی رپورٹنگ حصص داران تک پہنچانے کے عمل کے سلسلے میں بورڈ کی معاونت بھی کرتی ہے۔

جہاں کہیں بھی ضرورت محسوس ہو، آڈٹ کمیٹی انتظامیہ کی جانب سے لئے گئے اقدامات پر نظر ثانی کرنے کے ساتھ ساتھ انکی اصلاح کی کوششیں بھی کرتی ہے۔ آڈٹ کمیٹی انتظامیہ سے معلومات حاصل کرنے کیلئے خود مختار ہے اور ضرورت پڑنے پر بیرونی آڈیٹروں یا مشیروں سے براہ راست مشورہ بھی کر سکتی ہے۔ آڈٹ کمیٹی کے بلانے پر چیف فنانشل آفیسر باقاعدگی کے ساتھ آڈٹ کمیٹی کے اجلاسوں میں شرکت کرتے ہیں اور ان کے سامنے عبوری اور حتمی حسابات کا جائزہ پیش کرتے ہیں۔ ہر اجلاس کے بعد آڈٹ کمیٹی کا چیئر مین بورڈ کے سامنے اپنی رپورٹ پیش کرتا ہے۔

زیر نظر مالی سال کے دوران بورڈ کی آڈٹ کمیٹی کے چھ (6) اجلاس منعقد کئے گئے۔ تمام اجلاس پاکستان میں ہی منعقد کئے گئے۔ آڈٹ کمیٹی کے اجلاسوں میں ڈائریکٹرز کی حاضری سے متعلق تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام	اجلاسوں میں حاضری
تیزون کیسٹ - چیئر مین	5/6
بدر کاظمی	6/6
ظفر احمد تاجی	6/6
کنزہ شایان	3/3

*محترمہ کنزہ شایان کمپنی کی ڈائریکٹرشپ سے مستعفی ہو گئیں تھی اور بورڈ کے اجلاس منعقدہ 24 فروری 2023 میں ان کا استعفی قبول کر لیا گیا تھا۔

انسانی وسائل واداءیگیوں کی کمیٹی (HR&R Committee):

انسانی وسائل و اداءیگیوں کی کمیٹی انسانی وسائل، انکی ترقی، جانشینی کی پالیسی اور معاوضوں کے تعین جیسے مسائل کی نگرانی کے سلسلے میں بورڈ کی معاونت کرتی ہے اور اسی طرح انسانی وسائل و اداءیگیوں کی کمیٹی کو معروضی حالات اور کوڈ آف کارپوریٹ گورننس کے تحت ایسی تمام ذمہ داریاں سونپی جاتی ہیں۔ زیر نظر مالی سال کے دوران انسانی وسائل و اداءیگیوں کی کمیٹی کا ایک (01) اجلاس منعقد کیا گیا۔ یہ اجلاس پاکستان میں منعقد کیا گیا۔ کمپنی کے سی ای او بورڈ کی انسانی وسائل و اداءیگیوں کی کمیٹی کے ممبر ہیں۔ مدعو کئے جانے پر انسانی وسائل کے سربراہ نے انسانی وسائل و اداءیگیوں کی کمیٹی کے اجلاس میں شرکت کی۔ انسانی وسائل و اداءیگیوں کی کمیٹی کے اجلاس میں حاضری سے متعلق معلومات ذیل میں پیش کی جا رہی ہیں:

ڈائریکٹرز کے نام	اجلاسوں میں حاضری
ظفر احمد تاجی - چیئر مین	01
تیزون کیسٹ	01
شایان اکبرعلی	01

بتاریخ 30 جون 2023 بورڈ آف ڈائریکٹرز درج ذیل ڈائریکٹرز پر مشتمل تھا:

ڈائریکٹروں کی کل تعداد	7
i حضرات	6
ii خواتین	1

بتاریخ 30 جون 2023 بورڈ آف ڈائریکٹرز میں ڈائریکٹرز کی تعداد اور بورڈ کی ساخت ذیل میں پیش کی جا رہی ہے:

ڈائریکٹروں کا امتزاج	ڈائریکٹروں کے نام
الف غیر جانبدار ڈائریکٹرز	1) بدر کاظمی
	2) تیزون کیسٹ
	3) ظفر احمد تاجی
ب غیر انتظامی ڈائریکٹرز / چیئر مین	4) عباس اکبر علی
ج خاتون غیر انتظامی ڈائریکٹر	5) مریم اکبر علی
د انتظامی ڈائریکٹرز	6) شایان اکبر علی
	7) ہادی عباس اکبر علی

دوران سال بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد کیے گئے۔ تمام اجلاس پاکستان میں منعقد کیے گئے۔ ان اجلاسوں میں ڈائریکٹرز کی حاضری سے متعلق معلومات کو ذیل میں پیش کیا جا رہا ہے:

ڈائریکٹروں کے نام	اجلاسوں میں حاضری
عباس اکبر علی - چیئر مین	6/6
تیزون کیسٹ	5/6
بدر کاظمی	5/6
ظفر احمد تاجی	6/6
شایان اکبر علی	6/6
ہادی عباس اکبر علی*	4/4
مریم اکبر علی	5/6
کنزہ شایان*	2/2

گورننس:

کارپوریٹ گورننس اور فنانشل رپورٹنگ کا دائرہ کار:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کمپنی میں کوڈ آف گورننس کے اعلی معیار کی پاسداری کیلئے پرعزم ہیں۔ ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ کمپنی کی جانب سے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور کوڈ آف کارپوریٹ گورننس کی پاسداری کرتے ہوئے کوڈ کی پاسداری اور فنانشل رپورٹنگ کا ایک جامع نظام وضع کیا گیا ہے جس کی تفصیلات درج ذیل ہیں:

الف۔ کمپنی کی انتظامیہ کی جانب سے تیار شدہ مالیاتی گوشوارے کمپنی کے تمام امور، آپریشنز کے نتائج، ترسیل نقد رقوم اور حصص میں ردوبدل سے متعلق معاملات کی صحیح صحیح ترجمانی کرتی ہیں۔

ب۔ کمپنی کی جانب سے متعلقہ ریکارڈ کو باقاعدہ قواعد کے مطابق کھاتوں میں درج کیا گیا ہے۔

ج۔ تمام تر مالیاتی گوشواروں کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پر عمل کیا گیا ہے، نیز تمام تر مالیاتی تخمینے معقول اور قرین قیاس ہیں۔

د۔ مالیاتی دستاویزات کی تیاری کے سلسلے میں پاکستان میں رائج بین الاقوامی محاسبی معیارات کی مکمل پاسداری کی گئی ہے۔

ھ۔ اندرونی طور پر کنٹرول کا نظام انتہائی منظم اور جامع ہے اور اسے مؤثر انداز سے نافذ کیا گیا ہے اور اس پر مکمل نظر رکھی جاتی ہے۔ اندرونی کنٹرول کی کڑی نگرانی کا عمل ہمیشگی کی بنیاد پر جاری رہے گا جس کا بنیادی مقصد یہی ہے کہ کمپنی کے اندر کنٹرول کے نظام کو مزید مؤثر بنایا جائے۔

و۔ ایسی کوئی وجہ نظر نہیں آتی جس کی بنیاد پر کمپنی کو ختم کرنے سے متعلق کوئی سوال پیدا ہوتا ہو کہ کمپنی اپنا وجود برقرار رکھ پائے۔

ز۔ کارپوریٹ گورننس کی بہترین روایات پر عمل پیرا ہونے سے کسی بھی قسم کی کوئی قابل ذکر روگردانی نہیں کی گئی جیسا کہ اس سلسلے میں پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک میں ضوابط درج ہیں۔

ح۔ کمپنی کے کاروباری افعال اور مالیاتی نتائج کی اہم ترین جھلکیوں کو رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

ط۔ اکاؤنٹس کے نوٹس میں ٹیکسوں اور لیویز سے متعلق معلومات کو بھی شامل کیا گیا ہے۔

ی۔ کمپنی کی جانب سے مستقل ملازمین کیلئے ایک غیر منظور شدہ اور غیر فنڈ شدہ گریجویٹی اسکیم قائم کی گئی ہے۔ اس اسکیم سے مستفید ہونے کا حق ان ملازمین کو ہے جو کہ اس اسکیم سے استفادہ حاصل کرنے کیلئے طے شدہ کم از کم عرصے تک ملازمت کر چکے ہوں۔ گریجویٹی کیلئے بنائے جانے والے تخمینے کا انحصار انتہائی محتاط اور آزادانہ اندازوں پر ہے۔ جدید ترین تخمینے 30 جون 2023 کو پروجیکٹڈ یونٹ کریڈٹ طریقے کے تحت بنایا گیا ہے۔ کیونکہ یہ ایک غیر فنڈڈ شدہ اسکیم ہے اس لئے اس سے کسی قسم کی کوئی سرمایہ کاری نہیں کی جاسکتی اس لئے بتاریخ 30 جون 2023 اس سلسلے میں سرمایہ کاری کی قدر صفر ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں:

امریلی اسٹیلز لمیٹڈ میں گورننس کا نظام بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ کی جانب سے ایک مسلسل عمل کا نتیجہ ہے۔ گورننس کے اس نظام کی جھلک کمپنی کے انتظامی ڈھانچے میں بھی جھلکتی ہے اور اس بات کا اظہار بھی ہوتا ہے کہ کمپنی کے طے شدہ اہداف کے حصول کیلئے اس نظام کو کس انداز سے چلایا جاتا ہے۔

کمپنی کے کارپوریٹ گورننس کے ڈھانچے کو وضع کرنے کے سلسلے میں ان تمام تر قوانین اور ضوابط کی مکمل پاسداری کی گئی ہے جو کہ پاکستان اسٹاک ایکسچینج میں لسٹڈ کمپنی پر لاگو ہوتے ہیں اور کمپنی کے اندرونی ضوابط کے لحاظ سے یہ ڈھانچہ کمپنی کے آرٹیکلز آف ایسوسی ایشن سے بھی ہم آہنگ ہے۔ اس طریقہ کار میں کمپنی کو لاحق خطرات کا تجزیہ اور کنٹرول کا نظام بھی شامل ہے اور اس بات کو یقینی بنایا جاتا ہے کہ قابل اطلاق قوانین وضوابط اور کمپنی کے ضابطہ اخلاق کی مکمل پاسداری کو ممکن بنایا جا سکے۔

آپ کی کمپنی کا بورڈ طویل المیعاد اور مستقل بنیادوں پر سرمایہ کاری کی قدر میں اضافے کیلئے ہمہ وقت کوشاں رہتا ہے اور ان کوششوں کی بنیاد گورننس کے قابل اعتماد نظریات پر ہوتی ہے۔ کمپنی کا بورڈ تین آزاد، دو غیر انتظامی اور دو انتظامی ڈائریکٹر پر مشتمل ہے۔

رہ کر اور موجودہ معاشی حالات کے مطابق حکمت عملیوں کو ہم آہنگ کرنے سے، کمپنی مہارت کے ساتھ ان مسائل سے نبرد آزما ہوسکتی ہے اور ابھرتے ہوئے مواقع سے فائدہ اٹھا سکتی ہے، اس طرح مسلسل ترقی اور طویل مدتی پائیداری کو یقینی بنایا جاسکتا ہے۔

مستقبل کا جائزہ:

مالی سال 2024 کے لیے کلی معاشی اشاریے ایک پر امید تصویر پیش کرتے ہیں، جیسا کہ گزشتہ حکومت نے مالی سال 2023 میں درج کی گئی 0.29% مجموعی قومی پیداوار کے مقابلے میں اس کی شرح نمو کا ہدف 2.5% رکھا ہے۔ اسی طرح بنیادی کنزیومر پرائس انڈیکس (CPI) کی معتدل رہنے کی توقع ہے جو کہ مالی سال 2024 کے دوران 20%-22% کے درمیان رہنے کی توقع ہے۔ تاہم، ان مثبت اشاریوں کے باوجود، بہت سے اہم مسائل اب بھی توجہ طلب ہیں جس میں خاص اہمیت کا حامل قرضوں کی ادائیگی ہے۔ قرضوں کی ادائیگی 7.8 ٹریلین روپے سے تجاوز کرنے کی توقع ہے، جو کہ تقریباً 9.4 ٹریلین روپے کی متوقع آمدنی کا 83% ہے۔ یہ مختص رقم 10 سال کی اوسط (45%) سے کئی گنا زیادہ ہے، جس سے مالیاتی اکاؤنٹ میں انتہائی اہم ترقیاتی اخراجات، بنیادی ڈھانچے کی ترقی اور سماجی بہبود کے لیے کئی دیگر اقدامات کے لیے بہت محدود گنجائش باقی رہ جائے گی۔ مزید برآں، اسٹیٹ بینک آف پاکستان کی جانب سے شرح سود میں ممکنہ اضافہ حکومت کے لئے قرض کی لاگت کو بڑھا سکتا ہے، جس سے تمویلی لاگت میں خاطر خواہ اضافہ ہوسکتا ہے۔

موجودہ معاشی بدحالی کے زمانے میں درپیش مسائل کے مابین، آپ کی کمپنی خود کو مضبوط اور حالات کے مقابلے کے لیے پرعزم ہے۔ انتظامیہ کی جانب سے معاشی صورت حال پر مستعدی کے ساتھ نظر رکھے ہوئے ہے اور کمپنی کے مالی حالات کو بہتر بنانے اور اخراجات میں کمی لانے کیلئے اقدامات اٹھائے جارہے ہیں۔ موجودہ نامساعد حالات کے باوجود، کمپنی مستقبل کے لیے پرامید ہے، مارکیٹ کے تجزیے اور آئندہ سال کیلئے صنعت کی پیشین گوئیوں کے حوالے سے اسٹیل شعبے کیلئے مثبت اشارے مل رہے ہیں ہے۔

طلب میں اضافے اور مارکیٹ میں بہتری کی توقع کے ساتھ ساتھ، کمپنی کا مقصد آنے والے مواقع سے فائدہ اٹھانا اور اپنی بھرپور صلاحیتوں کو بروئے کار لاتے ہوئے ترقی کی منازل کو طے کرنا ہے۔

کمپنی کا اپنی طویل المدتی صلاحیتوں پر غیر متزلزل یقین اور معاشی حالات بہتر ہونے کی توقع وہ بنیادی اصول ہیں جن کے پیش نظر کمپنی اپنی حکمت عملی مرتب کرتی ہے۔ ان مقاصد کے حصول کے کیلئے، کمپنی کاروباری افعال کو بہتر بنانے، جدت طرازی کو فروغ دینے، اور نئے کاروباری مواقع کی تلاش پر مسلسل اپنی توجہ مرکوز رکھے گی۔

مصنوعات اور کسٹمر سروس کے اعلیٰ ترین معیارات کو برقرار رکھنا ہماری اولین ترجیح ہے، جس سے پائیدار ترقی اور صارفین کی خدمت کی مضبوط بنیادیں وابستہ ہے۔ جیسا کہ کمپنی اس مشکل دور سے گزر رہی ہے، کمپنی اپنے نظریہ، اپنی اقدار اور مقصد کے حصول کے ساتھ پرعزم ہے۔ کمپنی ان نامساعد معاشی حالات سے نبرد آزما ہوگی اور مزید مضبوط بن کر ابھرے گی اور کمپنی میں مسابقت کی مزید قوت پیدا ہوگی۔ حالات سے مطابقت اور آگے بڑھنے کی سوچ کو برقرار رکھتے ہوئے، جب معاشی حالات مثبت صورت اختیار کریں گے، کمپنی ان حالات سے بھرپور فائدہ اٹھانے کیلئے فی الفور تیار ہوگی جو پاکستان کی اسٹیل انڈسٹری کی توسیع اور خوشحالی کیلئے خوش آئند ہوگا۔

پاکستان ایسوسی ایشن آف لارج اسٹیل پروڈیوسرز (PALSP) کا کردار:
اسٹیل کی صنعت پاکستانی معیشت میں ایک اہم مقام رکھتی ہے، جو معاشی ترقی، حکومتی محصولات اور روزگار کے مواقع پیدا کرنے میں نمایاں کردار ادا کرتی ہے۔ پاکستان میں اسٹیل کا شعبہ اس وقت متعدد معاشی مسائل کی وجہ سے شدید بحران کا شکار ہے۔ پاکستان ایسوسی ایشن آف لارج اسٹیل پروڈیوسرز (PALSP) نے مستقل طور پر اسٹیل کی صنعت کو درپیش مشکلات سے نمٹنے کے لیے حکومت سے فوری کارروائی کا مطالبہ کیا ہے تاکہ صنعت کی بقا کو یقینی بنایا جاسکے اور اس کے ممکنہ خاتمے کو روکا جاسکے۔ ایسوسی ایشن نے پڑوسی ممالک ایران اور افغانستان سے اسٹیل ریبارز کی اسمگلنگ سے نمٹنے کے لیے سفارشات کا ایک مجموعہ تجویز کیا ہے، جس میں سرحدوں پر سخت کنٹرول اور نگرانی، بدعنوانی کو کم کرنے کے لیے ڈیجیٹلائزیشن کو اپنانا، اور غیر قانونی تجارت میں ملوث افراد پر جرمانے عائد کرنا شامل ہیں۔ ان غیر قانونی سرگرمیوں کے نتیجے میں خزانے کو محصولات کی مد میں کافی نقصان ہوا ہے، مقامی مارکیٹ میں ریبارز کی ترسیل بھی بہت حد تک متاثر ہوئی ہے اور اس کے ساتھ ساتھ اسٹیل مینوفیکچرز کے مفادات بھی کافی حد تک متاثر ہوئے ہیں۔

مالی سال اختتامیہ 30 جون 2023 سے متعلق کمپنی کی مالیاتی کارکردگی کی چند اہم جھلکیاں بمقابلہ گزشتہ مالی سال ذیل میں پیش کی جا رہی ہیں:

تفصیلات	30 جون 2023	30 جون 2022
	----------روپے ہزاروں میں ----------	
آمدن از فروخت	45,492,724	58,184,282
خام منافع	5,962,164	6,491,487
کاروباری منافع	4,006,885	4,384,761
(نقصان)/منافع قبل از ٹیکس	(25,876)	2,078,064
(نقصان)/منافع بعد از ٹیکس	(678,443)	1,325,515
(نقصان)/آمدن فی حصص بنیادی وتحلیلی (روپوں میں)	(2.28)	4.46

زیر بحث مالی سال کے دوران، آپ کی کمپنی نے کل 218,279 میٹرک ٹن سریا فروخت کیا۔ یہ مالی سال 2022 میں ریکارڈ کیے گئے 361,588 میٹرک ٹن کے برعکس ہے، جو کمپنی کی مجموعی فروخت کے حجم میں 143,309 میٹرک ٹن کی کمی کو ظاہر کرتا ہے، جو کہ پچھلے مالی سال کے مقابلے میں 39.63% کم ہے۔ کمپنی نے گزشتہ مالی سال 58.18 بلین روپے کے مقابلے میں زیر نظر مالی سال کے دوران 45.49 بلین روپے کی فروخت درج کی ہے۔ فروخت کی مجموعی لاگت میں 23.53% آنے والی کمی جو گزشتہ مالی سال کے مقابلے میں 21.81% سے کم ہے اس کے ساتھ ساتھ مجموعی طور پر خام منافع میں 8.15% کی کمی واقع ہوئی ہے جس کی وجہ زیر نظر مالی سال میں گزشتہ مالی سال کے مقابلے میں فروخت کے حجم میں آنے والی کمی ہے۔

آمدن کا عمیق تجزیہ کرتے ہوئے، تقسیمی اخراجات میں معمولی کمی دیکھی گئی۔ یہ کمی بنیادی طور پر اشتہاری اخراجات میں کمی کا نتیجہ تھی۔ اس کے برعکس، انتظامی اخراجات میں 2.06% اضافہ ہوا، جس کی بنیادی وجہ فرسودگی اور گاڑیوں کے ایندھن پر آنے والے اخراجات میں اضافہ تھا۔ قابل وصول واجبات کے قدامتی تجزیے کے نتیجے میں متوقع وصولی نقصان کے لیے پرووژن میں 114 ملین روپے کا اضافہ کیا گیا ہے۔ خام منافع میں 529 ملین روپے کی کمی اور پیداواری لاگت میں 27% اضافے کی وجہ سے کاروباری منافع میں گزشتہ مالی سال کے مقابلے میں 377 ملین روپے یا 8.62% کی کمی واقع ہوئی۔

مزید برآں، تمویلی اخراجات میں نمایاں اضافہ ہوا، جو گزشتہ سال 2.3 بلین روپے سے بڑھ کر مالی سال اختتامیہ 2023 میں 4.03 بلین روپے تک جا پہنچے، جس کی وجہ سے کمپنی کا تمام کاروباری منافع ان اخراجات کی نذر ہو گیا اور کمپنی کو قبل از ٹیکس نقصان اٹھانا پڑا۔ اتنے بڑے پیمانے پر تمویلی لاگت کی اصل وجہ شرح سود میں بے تحاشہ اضافہ تھا جو کہ مالی سال 2022 میں اوسطاً 10% سالانہ سے بڑھ کر مالی سال 2023 میں 19% تک جا پہنچا۔

ان عوامل کے مجموعی نتیجے کے طور پر، کمپنی کو زیر نظر مالی سال میں قبل از ٹیکس 26 ملین روپے کا نقصان ہوا، اس کے برعکس گزشتہ مالی سال میں 2,078 ملین روپے قبل از ٹیکس منافع درج کیا گیا تھا۔ نتیجتاً، کمپنی نے بعد از ٹیکس 678 ملین روپے کا نقصان درج کیا، جبکہ گزشتہ مالی سال کے دوران 1,325 ملین روپے کا بعد از ٹیکس منافع کمایا گیا تھا، جس کی وجہ حالیہ وفاقی بجٹ کے تحت سپر ٹیکس کے نفاذ کے نتیجے میں موثر ٹیکس میں خاطر خواہ اضافہ ہے۔

تقریباً تمام معاشی اشاریوں میں مسلسل عدم توازن، حکومتی معاشی پالیسیوں کی غیر یقینی صورتحال، مجموعی اقتصادی سکڑاؤ، صنعتی ترقی میں کمی، مقامی کرنسی کی مسلسل گراوٹ، مہنگائی کے بڑھتے ہوئے دباؤ، اضافی ٹیکس اقدامات بالخصوص سپر ٹیکس کا نفاذ، اور ریگولیٹری ایڈجسٹمنٹ نے مجموعی طور پر کمپنی کی منفعت پر منفی اثرات مرتب کیے ہیں جس کے باعث کمپنی کاروباری اخراجات کو صارفین تک منتقل نہ کر سکی۔ مجموعی طور ان تمام مسائل کے نتیجے میں کمپنی کو نقصان ہوا۔ تاہم، ان مشکل حالات میں بھی آپ کی کمپنی نے مشکلات پر قابو پانے کے لیے استقامت اور غیر متزلزل عزم کا مظاہرہ کیا۔ پوری صنعت کی بدحالی کے باوجود، آپ کی کمپنی نے قرین قیاس حکمت عملیوں کو نافذ کرنے اور کمپنی کے افعال پر ان مسائل کے اثرات کو کم کرنے کے لیے فیصلہ کن اقدامات اٹھائے۔ ہماری ٹیم مکمل اخلاص کے ساتھ کارکردگی کو بہتر بنانے اور اپنی بنیادی صلاحیتوں کی بنیاد پر گرانقدر مواقعوں کی نشاندہی کرنے میں مستعدی کا مظاہرہ کرتی رہی۔ انتظامیہ کا پختہ یقین ہے کہ متحرک

مہنگائی کی بڑھتی ہوئی شرح، جو کہ جون 2023 میں 29.4 فیصد کی تاریخی بلند ترین سطح پر پہنچ گئی، جس کی وجہ سے پاکستان کے معاشی منظر نامہ بری طرح متاثر ہوا۔ مہنگائی میں اس ہوشربا اضافے کی وجہ جغرافیائی اور سیاسی غیر یقینی صورتحال کا مجموعہ ہے، جس سے ملکی معیشت کو درپیش مشکلات میں مزید شدت آئی ہے۔ مزید برآں، ملکی کرنسی کی قدر میں کمی نے درآمدی اخراجات میں اضافہ کیا ہے، درآمدی خام مال کی قیمتیں پاکستان بھر کے مختلف صنعتی شعبوں کے لیے ایک انتہائی اہم عنصر ہیں۔

حال ہی میں شائع ہونے والی مالی سال 2023 کیلئے ابتدائی مجموعی قومی پیداوار 0.29% شرح نمو کا تخمینہ اس بات کا غماز ہے کہ مجموعی معاشی اشاریوں میں پیدا ہونے والا عدم استحکام کس طرح مجموعی معاشی کارکردگی کو متاثر کرتا ہے۔ یہ اثرات بالخصوص بڑے پیانے کی صنعتوں (Large Scale Manufacturing (LSM پر زیادہ نمایاں انداز سے مرتب ہوتے ہیں، ان صنعتوں میں سال بہ سال کی بنیاد پر جائزے کے مطابق مالی سال 2023 کے دوران 9.9% کی زبردست کمی واقع ہوئی ہے۔ اس کمی کی وجہ سخت معاشی پالیسیاں، کاروباری اخراجات میں مسلسل اضافے، تمویلی اخراجات میں اضافے، توانائی اور دیگر سروسز کے بڑھتے ہوئے اخراجات کے ساتھ ساتھ مقامی معاشی اور سیاسی عدم استحکام کے اثرات کو قرار دیا جاسکتا ہے۔ ان عوامل نے مجموعی طلب پر نمایاں دباؤ ڈالا ہے۔ ان حالات کے تناظر میں پائیدار حل تلاش کرنا اور ان مسائل سے نمٹنے کے لیے قومی سطح پر کوششوں کو مربوط کرنا اور موجودہ خطرات کے مابین معاشی استحکام کو فروغ دینا بہت ضروری ہو گیا ہے۔

پاکستان بیورو آف سٹیٹسٹکس (PBS) کے حالیہ اعداد و شمار کے مطابق مالی سال 2023 کے دوران سیمنٹ کی پیداوار میں گزشتہ سال کے مقابلے میں 13.7% کی نمایاں کمی واقع ہوئی۔ اسٹیل اور سکریپ آئرن کی درآمد میں بھی مالی سال 2023 کے دوران 44% کی کمی واقع ہوئی، جو تعمیراتی اور صنعتی سرگرمیوں میں بڑھتی ہوئی سست روی کی عکاسی کرتی ہے۔ بڑے پیانے پر صنعت کاری (LSM) کے شعبے میں تقریباً تمام بڑی صنعتوں نے اپنی کارکردگی میں قابل ذکر کمی ظاہر کی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کے اعداد و شمار کے مطابق، اسٹیل اور سکریپ آئرن کی درآمدات مالی سال 2022 میں 4.959 بلین ڈالر سے مالی سال 2023 میں 2.784 بلین ڈالر تک پہنچ گئیں۔ تجزیہ کاروں کے مطابق زیر نظر درآمدی رجحان روپے کی قدر میں نمایاں کمی کی وجہ سے ہے، جس سے طلب پر منفی اثرات پڑتے ہیں، اور زرمبادلہ کے ذخائر تیزی سے کم ہونے کی وجہ سے اسٹیٹ بینک کی جانب سے لیٹر آف کریڈٹ (LCs) کھولنے پر پابندیاں عائد ہیں۔ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے کی گئی ایک تفصیلی تحقیق سے پتہ چلتا ہے کہ عالمی اوسط کے مقابلے میں پاکستان میں اسٹیل کی کھپت گزشتہ سات سالوں سے کم ہو رہی ہے۔ وقت کے ساتھ کھپت میں یہ بتدریج کمی ناکافی معاشی پالیسیوں کے منفی اثرات کو واضح کرتی ہے۔

پاکستان پر آئی ایم ایف کی جامع رپورٹ ملک کو درپیش معاشی مسائل سے موثر انداز میں نمٹنے کے لیے قابل قدر بصیرت اور ایک منظم پالیسی کی ضرورت پر زور دیتی ہے۔ آنے والے سالوں میں پاکستان کے معاشی نقطہ نظر کو بہتر بنانے کے لئے ان پالیسیوں پر مستعدی سے عمل درآمد کرنا انتہائی اہم سمجھا جاتا ہے۔

مالی سال اختتامیہ 30 جون 2023 کی مالیاتی کارکردگی:

مالی سال 2023 واقعتاً کمپنی کے لیے ایک مشکل دور ثابت ہوا، جہاں منفی معاشی حالات، غیر سازگار کاروباری ماحول اور کاروباری اور تمویلی لاگت بشمول شرح سود میں نمایاں اضافے نے کمپنی کی مالیاتی کارکردگی کو بری طرح متاثر کیا ہے۔

معزز حصص داران،

بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے مالی سال سے متعلق رپورٹ پیش کر رہے ہیں۔ زیر غور عرصے کے دوران کافی مسائل کا سامنا رہا جن کے باعث نہ صرف اسٹیل کی صنعت متاثر ہوئی بلکہ مجموعی طور پر پاکستان کی معیشت پر بھی اس کے منفی اثرات مرتب ہوئے۔ بلاشبہ، آپ کی کمپنی کو بے شمار رکاوٹوں کا سامنا کرنے کے ساتھ ساتھ اقتصادی منظرنامے میں موجود غیر یقینی صورتحال سے گزرنا پڑا۔ تاہم، ان آزمائشوں کے باوجود ہماری جانب سے واضح استقامت کا مظاہرہ کیا گیا اور بڑی احتیاط کے ساتھ تیار کی گئی حکمت عملیوں کو عملی جامہ پہنانے اور عمدہ کارکردگی کی کوشش کی جانب اپنی توجہ مرکوز رہی۔ اس عزم نے آپکی کمپنی کو خود اعتمادی کے ساتھ مستقبل کے مسائل سے بنرد آزما ہونے کی صلاحیت بخشی، جس سے ایک خوشحال اور صحت مند مستقبل کی مضبوط بنیاد فراہم ہوئی ہے۔

عالمی معیشت:

دنیا کو اس وقت عالمی سطح پر کئی اہم مسائل کا سامنا ہے، جیسے کہ موسمیاتی تبدیلی، وبائی امراض کے مابعد اثرات، اور یوکرین میں جاری جنگ، جس کی وجہ سے خاص طور پر کم خوشحال ممالک میں بڑھتی ہوئی مہنگائی کے ساتھ قرضوں کی سطح میں اضافہ ہو رہا ہے۔ معاشی استحکام اور آب و ہوا میں تبدیلی جیسے ان مسائل کو حل کرنے کے لیے خاطر خواہ مالی وسائل درکار ہیں۔ تاہم، اس سلسلے میں ایک مضبوط اور پائیدار بین الاقوامی تعاون کی کمی محسوس ہوتی ہے جو کہ مساوی اور ماحولیاتی طور پر پائیدار معیشتوں کی جانب منتقلی میں بڑی رکاوٹ ہے۔

عالمی اقتصادی منظر نامے میں سست روی کے آثار دکھائی دے رہے ہیں، کیونکہ گزشتہ سال میں 3.1 فیصد کی شرح نمو کے بعد، بلند افراط زر کو روکنے کی کوششوں کی وجہ سے عالمی معیشت اس سال صرف 2.1 فیصد تک بڑھنے کی توقع ہے۔ دنیا بھر میں رائج مالیاتی قیود اور عالمی طلب میں کمی جیسی رکاوٹیں، ابھرتی اور ترقی پذیر معیشتوں کی شرح نمو کی رفتار پر اثر انداز ہو رہی ہیں۔ بینکنگ سیکٹر میں شدید تناؤ کی صورت میں عالمی اقتصادی مساوات بگڑ سکتی ہے، اور اگر یہ صورت حال کچھ عرصہ برقرار رہی تو متوقع حد سے زائد افراط زر پہلے سے زیادہ سخت مالیاتی اقدامات کا مطالبہ کرے گی۔

موجودہ صورت حال کثیر جہتی پالیسی اقدامات کے نفاذ کی ضرورت کو اجاگر کرتی ہے۔ خاص طور پر بینک کی ناکامیوں کے حالیہ واقعات کے تناظر میں جامع عالمی مالیاتی ریگولیٹری اصلاحات کی فوری ضرورت کو نظر انداز نہیں کیا جا سکتا۔ ہم وقت، بین الاقوامی تعاون، قابل تجدید توانائی کی منتقلی کو تیز کرنے، موسمیاتی تبدیلی سے پیدا ہونے والے مسائل سے نمٹنے، اور اقتصادی بدحالی سے دوچار قوموں کو مالی امداد فراہم کرنے میں اہمیت کا حامل ہے۔ مہنگائی پر قابو پانے کے لیے قابل اعتماد حکمت عملیوں پر عمل درآمد مجموعی اقتصادی اور مالیاتی توازن کو یقینی بنائے گا، اور بنیادی ڈھانچے میں اصلاحات کو نافذ کرے گا جو پائیدار اور جامع ترقی کی مضبوط بنیاد قائم کرنے کے لیے اہم ہیں۔

مقامی معیشت:

عالمی تجارتی محرکات کے پاکستان کی معیشت پر بلاواسطہ اور بالواسطہ اثرات مرتب ہوتے ہیں اور پاکستان کی کاروباری حکمت عملی بھی عالمی معیشت کے زیر اثر ہی کام کرتی ہے۔ برآمدات کے سلسلے میں حائل رکاوٹوں، ماحولیاتی تبدیلیوں کے اثرات اور تجارت کے بدلتے حالات کے مابین ایک پیچیدہ رشتہ پایا جاتا ہے جس کے پیش نظر پاکستان میں فیصلہ سازوں، کاروباری حلقوں اور دیگر شراکت داروں پر لازم ہے کہ لچکدار اور اقدامی حکمت عملی مرتب کریں۔ اس تجزیے سے اس بات کی تصدیق ہوتی ہے کہ مقامی تجارتی پالیسیوں کا بدلتی ہوئی عالمی معیشت سے کتنا گہرا تعلق ہے۔

جیسا کہ مندرجہ بالا سطور میں بیان کیا گیا ہے کہ، پاکستان کو گزشتہ سال بہت سے مسائل کا سامنا کرنا پڑا۔ کمزور مجموعی طلب کے ساتھ ساتھ بلند افراط زر، روپے کی قدر میں شدید کمی، اور کرنٹ اکاؤنٹ کے خسارے میں اضافے جیسے مسائل نے مالی سال 2023 کے آغاز سے ہی سخت مالیاتی حالات کا تعین کر دیا تھا۔ ان مشکلات میں مزید اضافہ کرتے ہوئے، طوفانی سیلاب نے ملک کے کچھ حصوں کو تباہ کر دیا جس کے نتیجے میں ایک جانب تو سپلائی چین کا نظام بری طرح متاثر ہوا تو دوسری جانب اہم فصلوں کو ناقابل تلافی نقصان پہنچا۔ مجموعی طور پر ان واقعات نے پاکستان اور اس کی مختلف بڑی صنعتوں کیلئے ایک ہیجانی کیفیت کو جنم دیا۔

AUDIT COMMITTEE REPORT

Introduction

We are pleased to present annual Audit Committee Report which provides an insight into our work, the issues handled and the focus of the Audit Committee's deliberations during 2022-23. The Audit Committee assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management and internal control system and related compliance and governance matters. We are also responsible for making a recommendation to the Board on the appointment or reappointment of the external auditors.

Audit Committee Members

The committee comprises of three Independent Non-Executive Directors

Chair: Mr. Teizoon Kisat (Independent Non-Executive and financially-literate* Director)

Members:

Mr. Zafar Ahmed Taji	(Independent Non-Executive Director)
Mr. Badar Kazmi	(Independent Non-Executive Director)
Ms. Kinza Shayan	(Non-Executive Director)

*as defined in the Listed Companies (Code of Corporate Governance) Regulations, 2019, Chapter X, Regulation 28 (1)(C).

The members of the Audit Committee have the appropriate knowledge, skills and experience to carry out the tasks entrusted to the Committee by the Board. The approved minutes of Audit Committee are circulated to the Board for information and guidance.

Audit Committee Attendance

During the current year, six (06) meetings were held and attendance was as tabled.

Name of Member	Number of Meetings Attended
Mr. Teizoon Kisat	05
Mr. Zafar Ahmed Taji	06
Mr. Badar Kazmi	06
Ms. Kinza Shayan	03

Synopsis of Activities

Financial Reporting

The Committee has a process to review the financial information of the Company when quarterly and annual financial statements and the reports are presented to the Committee by the CFO. The financial reporting was assessed to ensure that credible and reliable information should be timely reported. Annual and quarterly financial statements were reviewed prior to their approval by the Board of Directors.

Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements. Applicable International Financial Reporting Standards were followed in the preparation of financial statements of the Company on a going concern basis, for the financial year ended 30 June 2023, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company for the year under review.

Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholders' needs.

Review of related party transactions

The Audit Committee reviewed the statement of significant related party transactions, submitted by the management. Audit Committee ensured the disclosure of materially significant related party transactions. During the year 2022-23, the Company has entered into certain related party transactions as disclosed in the note 45 to the Financial Statements. The details of all related party transactions were placed quarterly before the audit committee of the Company and upon recommendations of the Audit Committee, the same were placed before the Board for review and approval.

AUDIT COMMITTEE REPORT

Effectiveness of Internal Control System

The Audit Committee reviewed, discussed and briefed the Board on the regular reports on risks, controls and assurance, in order to monitor the effectiveness of internal controls over financial reporting, compliances and operational matters.

The Audit Committee, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management responses. This has ensured the continual evaluation of controls and improved compliances.

External Auditors

The Audit Committee is responsible for monitoring the ongoing effectiveness & independence of the external auditors and making recommendations to the Board with respect to the re-appointment of external auditors.

The external auditors was allowed direct access to Audit Committee. The Audit Committee reviewed the Management Letter issued by external auditors and the management response thereto. Observations were discussed with the auditors and required actions recorded.

The Audit Committee met with the external auditors without the executive management during the year under review to discuss reservations, if any, arising from audit and any matters the external auditors may wish to discuss without the presence of management.

On 16 August 2022, the Audit Committee recommended to the Board re-appointment of external auditors along with fixing remuneration for the year ending 30 June 2023. The Shareholders approved the recommendation in Annual General Meeting held on 20 October 2022 and M/s. EY Ford Rhodes., Chartered Accountants were appointed as external auditors of the Company for the year ending 30 June 2023.

Internal Auditor

The Company has established Internal Audit Function, which is responsible for conducting audits to evaluate the effectiveness of the Company's internal controls, risk management processes and compliance with regulations. The Internal Audit Function is led by "Head of Internal Audit" who possesses the necessary qualification prescribed under the CCG Regulations 2019. The Head of Internal Audit has direct access to the Chairman Audit Committee. The Committee has ensured that the internal audit function is adequately staffed with personnel possessing the necessary internal audit acumen. The Internal Audit function has unrestricted access to Management and the right to seek information and explanation. The Internal Audit function has carried out its duties under the Audit Charter defined by the Committee. The Committee has carefully reviewed material findings with management given direction to ensure that necessary steps were taken to mitigate any issues. Head of Internal Audit attends all Committee meetings, during which reports are considered and discussed in detail.

CODE OF CONDUCT

The Code of Conduct (the Code) of the Company defines what we stand for and believe in, documenting the uncompromisingly high ethical standards, our Company has upheld since it was founded. Strong business ethics should form the basis for all of our relationships with employees, customers, competitors, suppliers and colleagues. It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards.

Here we clearly state our business principles and show their impact on everyone involved with the Company; from the Board, management and employees, to the consumers, suppliers and business partners.

Following are the salient features of the Code of Conduct, however the complete code of conduct can be viewed at the Company's website at the link https://www.amrelisteels.com/investor-relations#codeOfConduct

Applicability

The Code applies to the following (collectively termed as "Company Personnel" for the purposes of this Code):

- Members of the Board of Directors
- Senior Management Personnel
- All employees of the Company

Consequences of Non-Compliance of Code

Any breach of the Code, terms of appointment, Company's polices, rules and regulations or any acts of misconduct and fraud or embezzlement will be viewed seriously and may invite disciplinary action, including the termination of employment and criminal prosecution, if required. For the said purpose, all Company's polices and rules will also be deemed to be an integral part of this Code.

Conflicts of Interest

The Company expects that all personnel will perform their duties conscientiously, honestly and in accordance with the best interests of the Company. The Company personnel must not use their positions or the knowledge gained as a result of their positions for private or personal advantage.

Regardless of the circumstances, if Directors/employees sense that a course of action they have pursued, or are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with their employer, they should immediately communicate all the facts to their supervisor or to the Board as the case may be.

Inside Information

The Company personnel shall not use for their own financial gain or disclose for the use of others, inside information obtained as a result of their position within the Company.

The Company personnel may find themselves in violation of the applicable securities laws if they misuse information not generally known to the public and either trade or induce others to trade in the stock of the Company or in the stock of another Company. Specific confidential information would include financial information, information concerning acquisitions or dispositions of properties and proposed acquisition or mergers with other companies.

In case of this breach of confidentiality, the Company may be subjected to regulatory penalties and therefore, to prevent and address such instances, it may consider disciplinary and legal recourse.

Health and Safety

We recognize the importance of health and safety within our business. We seek to provide a healthy, safe and clean working environment in line with local laws, regulations and industrial practice. We measure, appraise and report performance, as part of our commitment to the health and safety of our employees, contractors and everyone who works on or visits our sites.

We should take such steps as are reasonably practicable, to ensure that they meet our health and safety objectives. These are -

- To provide and maintain safe and healthy working places and systems of work in order to protect all Company personnel and others, including visitors and the public, in so far as they come into contact with foreseeable work hazards.
- To provide and maintain a safe and healthy working environment for all Company personnel, taking into account individuals' needs and abilities.
- To develop safety awareness amongst all Company's personnel to enable them to take reasonable care for their own health and safety and of other people who may be affected by their acts or omissions.

Consumers

We are committed to providing consumers with high-quality, wholesome products which are marketed truthfully, labeled clearly, and, as a minimum, meet domestic and global quality and safety regulations.

Suppliers

The Company is confident that its suppliers desire to operate in an environment that is free from influence due to unethical business practices. Therefore, suppliers are expected to conduct business in a manner that would not, in any way, compromise the ethical principles adopted by the Company. To ensure this, the Company may convey its ethics requirements to its suppliers directly and also hold trainings and orientations for this purpose.

Integrity and Professionalism

The Company personnel should remember that they are a reflection on the Company and are constantly being judged or otherwise appraised by everyone they come in contact with. All Company Personnel should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Company business.

Community Activities

We recognize our responsibilities as a member of the communities in which we operate and commit resources to support community and social investment through national or locally targeted programs in partnership with others. We will also encourage and support employee efforts to be involved in and provide leadership in the educational and social fabric of the communities in which they live.

Protection of the Environment

The Company personnel shall treat the protection of the environment as an integral factor in all decision making. The Company is committed to the protection of the environment. To comply with this commitment, the Company's policy is to meet or exceed all applicable governmental requirements. Employees must report to their superior all circumstances in which toxic substances are spilled or released into the environment.

Violations of environmental laws, even if unintentional, can carry severe penalties, and could result in the prosecution of the Company or the employees involved or both. Failure to comply with the Company's instructions for the protection of the environment may result in disciplinary actions.

WHISTLEBLOWING POLICY

The Company is committed to the highest standards of transparency, honesty, openness and accountability. In order to ensure compliance with the best practices of the Corporate Governance, the Company has incorporated a Whistleblowing Policy ("the Policy") to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company.

The Policy applies to all employees, management and the Board and extends to every individual associated with the Company including contractors, suppliers, business partners and the shareholders who are encouraged to report serious concerns that could have a significant impact on the Organization, such as:

- unlawful civil or criminal offence;
- failure to comply with statutory obligations/requirements;
- financial or non-financial mismanagement, fraud and corruption, including bribery;
- violation of various corporate policies-governing business conduct;
- violation of health, safety & environmental standards applicable to the business;
- harassment, discrimination or other unfair employment practices;
- attempt to conceal or suppress information relating to the above.

Open and candid communication is an important part of our culture. All concerns are to be made in writing to ensure a clear understanding of the issues being raised. Whistleblowers may report their concerns through the following methods:

E-mail – whistleblowing@amrelisteels.com which shall only be accessible to the Whistleblowing Unit.

Mail – Captioned 'Whistleblowing Unit' – Registered Office, A-18, S.I.T.E. Karachi.

The Whistleblowing Unit shall comprise of the CEO and such other senior officials of the Company nominated by the Board of Directors.

Every effort will be made to maintain the confidentiality of complainants and to protect them from any form of retaliation, reprisal or victimization for genuinely held concerns that are raised in good faith. At the same time, it should be noted that unfounded allegations made recklessly, maliciously or knowing that they were false can expose the complainant to disciplinary action.

It is expected that all complaints will be lodged with proper identification. Anonymous complaints will also be accepted, however, the decision to take them up lies with the Whistleblowing Unit depending on their nature and urgency.

The Company undertakes that all complaints will be investigated confidentially by independent persons and feedback will be provided to the complainant. Deliberately making a false concern is also an allegation under this Policy and may lead to a disciplinary action against the complainant.

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

POLICY FRAMEWORK FOR DETERMINING REMUNERATION OF DIRECTORS

Amreli Steels always strives to attract and retain professionals with high expertise to operate business with determination and dedication which creates value for its shareholders. The objective of the policy framework is to provide fair, transparent and sound remuneration policy that is aligned with business strategy, risk and responsibilities to ensure that shareholders remain informed, confident in the management of the Company and to support positive outcome across the economic and social context in which the Company operates.

The remuneration policy attracts, motivates and retains qualified members of the Board of Directors to align the interests of the Board of Directors with the interests of the shareholders in such a way that it does not impair the independence of the respective Board Members.

POLICY FOR RELATED PARTY TRANSACTIONS

A complete and updated list of related parties is being maintained by the Company. All transactions with related parties are carried out on an unbiased and arm's length basis as per policy approved by the Board of Directors of the Company. A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. The Internal Audit Function ensures that all related party transactions are carried on an arm's length basis. After review by the Audit Committee, the transactions are placed before the Board for their consideration and approval. All transactions with related parties are disclosed in the financial statements.

POLICY OF SECURITY CLEARANCE OF FOREIGN DIRECTORS

The Company is committed to the well-being of its Board and has in place various protocols and procedures to ensure the safety and security of its Board Members including Foreign Directors, however currently the Company does not have any Foreign Director at Board.

STATEMENT ON MECHANISM OF BOARD'S PERFORMANCE AND DELEGATION OF AUTHORITY TO MANAGEMENT BY BOARD

The Directors are fully aware of the level of trust entrusted in them by the shareholders for managing the affairs of the Company and safeguarding their interests. Thereby, the Board exercises its powers and carries out its fiduciary duties with a sense of objective judgment and independence in the best interests of the Company. The Board participates actively in major decisions of the Company including but not limited to appointment of key management, reviewing the annual business plan, approval of budgets for capital expenditures, investments in new ventures, approval of related party transactions, review of matters recommended / reported by Board's Committees, review of status of any law suits and report on governance, risk management and compliance issues. The Board also monitors Company's operations by approval of interim and annual financial statements and dividend, review of internal and external audit observations regarding internal controls and their effectiveness.

The Board has constituted Committees of Directors and management with adequate delegation of powers to effectively focus on the issues and ensure expedient resolution. These Committees meet as often as required to oversee the performance in respective areas. Each Committee has its own charter with goals and responsibilities.

The Committees of the Board include Audit Committee and Human Resource & Remuneration Committee. The Board meets at least once a quarter. The CEO, CFO and other members of the Executive Committee and/or other employees attend the meetings of the Board at the invitation of the Chairman for the purpose of reporting or imparting information. The Committees report on their activities and results to the Board. The Board has delegated the executive management of the Company to the CEO for smooth operation and day to day business affairs of the Company.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES, MEMBERS AND THE CEO

The Company ensures to evolve and follow the corporate governance guidelines and best practices sincerely to not just boost long term shareholders' value but also to respect minority rights. The Company considers it as inherent responsibility to disclose timely and accurate information regarding financial performance as well as the leadership and governance of the Company.

The Board of Directors at Amreli Steels has recognized that it would be imperative for them to continually assess how effectively the Board, its Committees, members and CEO are performing their roles against their respective objectives as a critical structural tool for assessing Board's effectiveness and efficiency as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The effectiveness and performance of the Board, its Committees, Members and CEO is evaluated on following factors –

- **Board Structure:** Its composition, constitution and diversity and that of its Committees, competencies of the members, Board and Committee charters, frequency of meetings, procedures;
- **Dynamics and Functioning of the Board:** Information availability, interactions and communication with CEO and senior executives, Board's agenda, cohesiveness and the quality of participation in Board meetings;
- **Business Strategy Governance:** Role of Board in Company's strategy;
- **Financial Reporting Process, Internal Audit and Internal Controls:** The integrity and robustness of the financial and other controls regarding related party transactions on arm's length basis;
- **Monitoring Role:** Monitoring of policies, strategy implementation and systems;
- **Relationship:** Assessment of quality of relationship between the Board and its Committees;
- Supporting and Advisory Role;
- The Chairperson's Role;

HOW THE ORGANIZATION IMPLEMENTED GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

The term "Governance" refers to a system of Company's management that focuses on responsibility, transparency and sustainable value creation. It encompasses the management and monitoring system of the Company, including its organization, business principles and guidelines, as well as internal and external controls and monitoring mechanisms.

At Amreli, the Board of Directors are committed towards the principles of good corporate governance across the Company through its top management. The Board and management of the Company always focus towards the stakeholders expectation that the Company is managed and supervised responsibly and proper internal controls and risk management policy and procedures are in place for efficient and effective operations of the Company, safeguarding of assets, compliance with laws and regulations and proper financial reporting in accordance with International Financial Reporting Standards and other applicable laws.

The Board encourages high standards of professionalism, ethical practices, accountability and transparency, in line with the global best practices and statutory requirements which are embedded in the Company's governance structure through implementation of sound internal controls, Code of Conduct and Whistle Blowing Policy of the Company to provide long-term benefits to all stakeholders. The Board being cognizant to its responsibility has established a robust governance mechanism surpassing the legal and regulatory requirements which regularly evaluate the processes to ensure growth in stakeholders' value besides safeguarding the interests of minority shareholders.

The Company conducts its operations in accordance with principles of good corporate governance and provides timely, regular and reliable information on its activities, structure, financial situation and performance to all shareholders. The Company continuously strives towards improving sound governance, best management and CSR practices in day-to-day business activities.

PRESENCE OF THE CHAIRMAN OF THE BOARD'S AUDIT COMMITTEE (BAC) AT THE ANNUAL GENERAL MEETING (AGM)

The Chairman of Board's Audit Committee - Mr. Teizoon Kisat (an Independent Director) was present in the 38th AGM of the Company which was held on 20 October 2022, to answer questions on the Audit Committee's activities and matters within the scope of the Board's Audit Committee. All queries raised by shareholders at the AGM were duly answered by the Chairman, Directors, CEO and CFO present in the meeting upto satisfaction of the shareholders.

STATEMENT ON THE MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY TOWARDS THE PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal controls 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;
- The Board of Directors are responsible for overseeing the Company's financial reporting process.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors of the Company are dedicated in maintaining high standards of good corporate governance. The Directors confirm compliance with the Corporate and Financial Reporting Framework of the SECP and the CCG for the following matters -

a) The financial statements, prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity;

b) Proper books of accounts have been maintained by the Company;

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments;

d) International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in preparation of financial statements;

e) The system of internal controls is sound in design and has been effectively implemented and monitored. The process of monitoring the internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system;

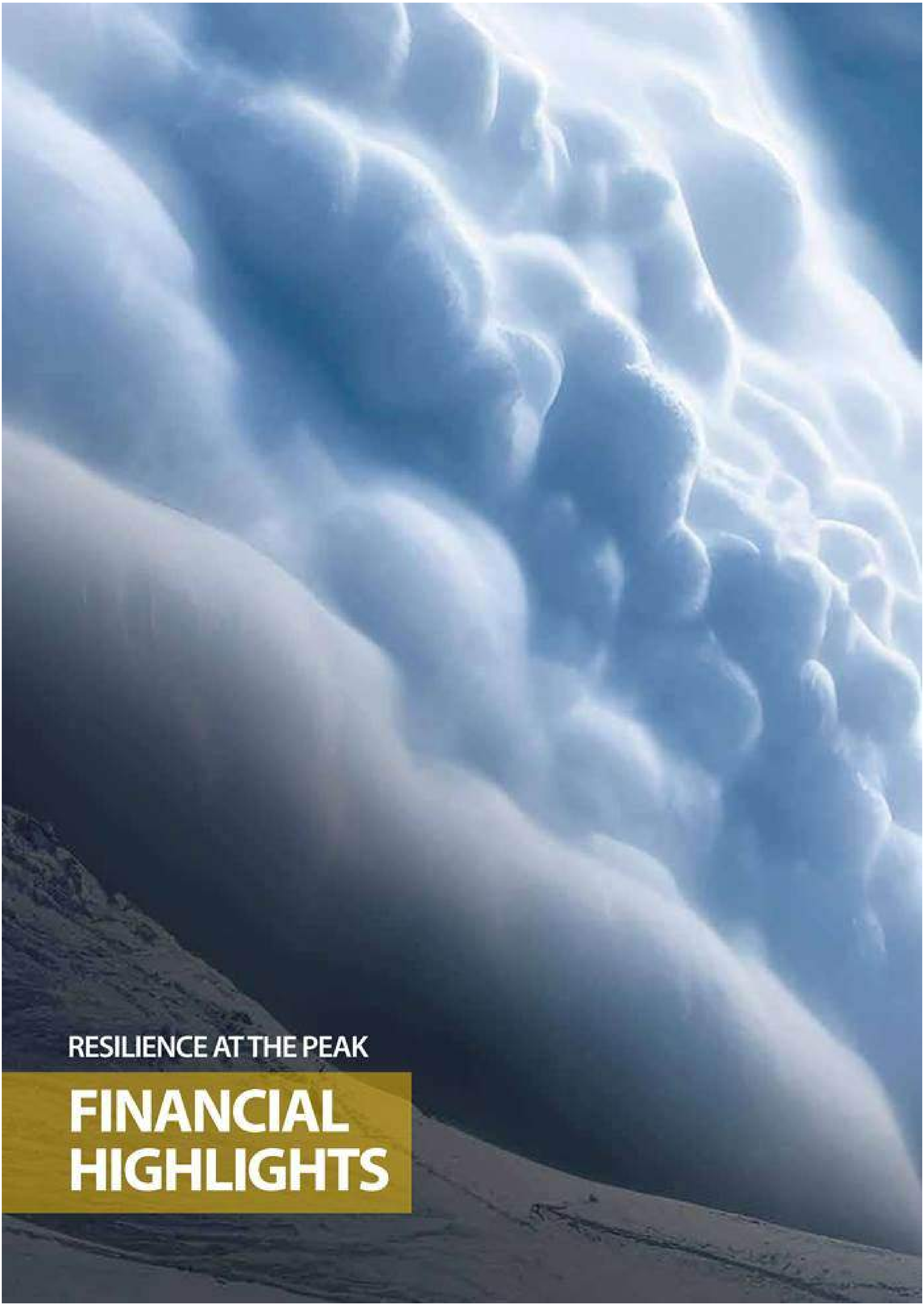
f) There are no doubts upon the Company's ability to continue as going concern;

g) There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of the Rule Book of the Pakistan Stock Exchange Limited;

h) A summary of key operating and financial data of the Company is annexed in this Annual Report;

i) Information about taxes and levies is given in notes to the financial statements;

j) The Company has an unfunded defined gratuity scheme for all permanent employees who have completed the minimum qualifying years of service for entitlement of gratuity. The provision for gratuity is made in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of 30 June 2023 using Projected Unit Credit Method. Being an unfunded gratuity scheme, no investment could have been made and hence the value of investments as at 30 June 2023 stands Nil.



RESILIENCE AT THE PEAK

FINANCIAL HIGHLIGHTS

SIX YEARS AT A GLANCE

FINANCIAL POSITION

	Rs. In Million					
	2023	2022	2021	2020 (Restated)	2019 (Restated)	2018
Assets Employed						
Property, plant and equipment	22,263	21,578	20,146	17,651	16,966	15,529
Right of use asset	136	76	100	72	-	-
Intangible assets	7	12	19	24	32	28
Long-term investments	14	14	15	15	15	15
Long-term deposit and loans	194	204	152	135	138	136
Current assets	17,558	21,463	15,934	17,345	12,396	10,935
Total Assets	**40,172**	**43,348**	**36,366**	**35,243**	**29,547**	**26,643**
Financed By						
Share capital and reserves	14,562	15,255	13,941	10,951	12,196	12,880
Long-term liabilities						
Long-term financing	3,705	4,821	4,821	5,430	1,507	2,204
Current portion of long-term financing	1,800	1,354	1,129	812	1,187	775
	5,505	6,175	5,950	6,241	2,693	2,980
Non-current and deferred liabilites	2,131	1,750	1,116	847	1,369	1,162
Current liabilities	19,773	21,523	16,489	18,015	14,475	10,396
Current portion of long term financing	(1,800)	(1,354)	(1,129)	(812)	(1,187)	(775)
	17,974	20,169	15,359	17,204	13,288	9,621
Total Funds Invested	**40,172**	**43,348**	**36,366**	**35,243**	**29,547**	**26,643**

OPERATIONS

	2023	2022	2021	2020 (Restated)	2019 (Restated)	2018
Turnover - net	45,493	58,184	39,218	26,532	28,596	15,501
Gross profit	5,962	6,491	4,542	1,813	2,424	2,758
Operating profit	4,007	4,385	3,012	356	1,195	1,871
EBITDA	4,935	5,100	3,549	1,229	1,892	2,305
(Loss) / profit before tax	(26)	2,078	1,384	(1,943)	(67)	1,394
(Loss) / profit after tax	(678)	1,326	1,368	(1,242)	33	1,585
Total comprehensive (loss) / income	(692)	1,314	2,990	(1,246)	17	2,328
Capital expenditures	1,618	2,158	1,273	1,369	2,122	2,916
(Loss per share) / Earnings per share	(2.28)	4.46	4.61	(4.18)	0.11	5.34

Cash Flow Summary

	2023	2022	2021	2020 (Restated)	2019 (Restated)	2018
Net cash generated from / (used in) operating activities	7,040	(2,190)	2,440	(4,003)	749	(2,219)
Net cash used in investing activities	(1,589)	(2,138)	(1,146)	(1,361)	(2,137)	(2,924)
Net cash (used in) / generated from financing activities	(5,492)	4,514	(1,996)	5,825	1,404	5,204
Increase / (decrease) in cash and cash equivalents	(41)	185	(701)	462	16	62
Cash and cash equivalents at end of the year	(1,701)	(1,660)	(1,846)	(1,144)	147	131

VERTICAL ANALYSIS

BALANCE SHEET

	2023	2022	2021	2020 (Restated)	2019 (Restated)	2018
	%	%	%	%	%	%
EQUITY AND LIABILITIES						
Share Capital And Reserves						
Share capital	7.39	6.85	8.17	8.43	10.05	11.15
Capital reserves	6.94	6.43	7.67	7.91	9.44	10.47
Revenue reserves – accumulated profit	13.07	13.53	12.30	8.41	13.99	17.74
Actuarial loss on gratuity fund	-0.22	-0.17	-0.18	-0.17	-0.19	-0.15
Revaluation surplus on property, plant and equipment	9.07	8.55	10.38	6.49	7.99	9.14
	36.25	**35.19**	**38.33**	**31.07**	**41.28**	**48.34**
Non Current Liabilities						
Long term financing	9.22	11.12	13.26	15.41	5.10	8.27
long term provision	0.37	0.36	0.46	0.00	0.00	0.00
Loan from related parties	0.00	0.79	0.94	0.97	0.95	0.00
Deferred liability - defined benefit obligation	1.13	0.85	0.85	0.72	0.70	0.58
Deferred taxation	2.56	1.48	0.59	0.51	2.99	3.78
Lease liabilities	0.30	0.17	0.23	0.18	0.00	0.00
Government grant	0.95	0.39	0.00	0.02	0.00	0.00
	14.53	**15.16**	**16.33**	**17.81**	**9.73**	**12.64**
Current Liabilities						
Trade and other payables	12.40	14.39	13.96	10.59	12.05	8.21
Contract liabilities	1.19	1.78	1.37	2.73	0.95	0.90
Unclaimed dividend	0.01	0.01	0.02	0.02	0.02	0.01
Interest / mark-up accrued	1.99	1.20	0.73	1.64	1.19	0.51
Short term borrowings	28.21	29.01	26.05	33.80	30.76	26.47
Current portion of long-term financing	4.48	3.12	3.11	2.30	4.02	2.91
Current portion of lease liabilities	0.09	0.03	0.06	0.02	0.00	0.00
Current portion of government grant	0.07	0.10	0.03	0.01	0.00	0.00
Taxation - net	0.00	0.00	0.00	0.00	0.00	0.00
Current maturity of related party	0.79	0.00	0.00	0.00	0.00	0.00
	49.22	**49.65**	**45.34**	**51.12**	**48.99**	**39.02**
TOTAL EQUITY AND LIABILITIES	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
ASSETS						
Non-Current Assets						
Property, plant and equipment	55.42	49.78	55.40	50.08	57.42	58.28
Intangible assets	0.02	0.03	0.05	0.07	0.11	0.10
Long-term investments	0.04	0.03	0.04	0.04	0.05	0.06
Right of use assets	0.34	0.18	0.28	0.21	0.00	0.00
Long-term deposits and loans	0.48	0.47	0.42	0.38	0.47	0.51
	56.29	**50.49**	**56.19**	**50.78**	**58.05**	**58.96**
Current Assets						
Stores and spares	6.48	6.36	4.00	4.78	4.53	3.26
Stock-in-trade	17.67	25.42	16.48	22.17	22.08	28.00
Trade debts	12.38	12.64	17.38	13.90	11.52	6.71
Loans and advances	0.11	0.12	0.09	0.08	0.06	0.09
Other receivables	0.53	0.00	0.76	1.50	0.43	0.85
Trade deposits & short term prepayments	0.05	0.07	0.06	1.82	0.12	0.17
Taxation - net	5.81	4.08	4.00	3.51	2.72	1.48
Cash and bank balances	0.68	0.82	1.04	1.45	0.50	0.49
	43.71	**49.51**	**43.81**	**49.22**	**41.95**	**41.04**
	100.00	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

HORIZONTAL ANALYSIS

BALANCE SHEET

	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
EQUITY AND LIABILITIES	%	%	%	%	%	%
Share Capital And Reserves						
Share capital	0.00	0.00	0.00	0.00	0.00	0.00
Capital reserves	0.00	0.00	0.00	0.00	0.00	0.00
Revenue reserves – accumulated profit	-10.49	31.19	50.89	-28.30	-12.58	29.07
Actuarial loss on gratuity fund	18.55	17.83	6.62	6.70	39.48	31.21
Revaluation surplus on property, plant and equipment	-1.70	-1.83	64.93	-3.07	-3.01	38.71
	-4.54	9.43	27.31	-10.21	-5.31	15.56
Non Current Liabilities						
Long term financing	-23.15	0.00	-11.22	260.34	-31.64	209.57
Long term provision	-4.92	-7.49	100.00	0.00	0.00	0.00
Loan from related parties	-100.00	0.00	0.00	21.90	100.00	0.00
Deferred liability - defined benefit obligation	22.46	19.64	21.37	24.01	31.95	33.12
Deferred taxation	60.37	200.99	18.46	-79.64	-12.26	-8.89
Lease liabilities	68.19	-14.77	33.59	100.00	0.00	0.00
Government grant	123.61	18347.68	-87.87	100.00	0.00	0.00
	-11.18	**10.67**	**-5.41**	**118.29**	**-14.59**	**74.09**
Current Liabilities						
Trade and other payables	-20.18	22.87	36.07	4.81	62.68	128.41
Contract liabilities	-38.05	54.81	-48.10	242.89	16.78	51.55
Unclaimed dividend	-2.75	-1.89	-4.54	-8.97	111.57	75.37
Interest / mark-up accrued	53.56	94.99	-53.74	63.76	160.07	140.66
Short term borrowings	-9.88	32.71	-20.47	31.08	28.85	94.43
Current portion of long-term financing	32.95	19.87	39.16	-31.61	53.06	149.89
Current portion of lease liabilities	140.60	-37.21	161.25	100.00	0.00	0.00
Current portion of government grant	-36.31	241.31	196.42	100.00	0.00	0.00
Current maturity of related party	100.00	0.00	0.00	0.00	0.00	0.00
Taxation - net	0.00	0.00	0.00	0.00	0.00	-100.00
	-8.13	**30.53**	**-8.47**	**24.46**	**39.23**	**102.67**
TOTAL EQUITY AND LIABILITIES	**-7.33**	**19.20**	**3.19**	**19.28**	**10.90**	**46.32**
ASSETS						
Non-Current Assets						
Property, plant and equipment	3.18	7.11	14.14	4.04	9.25	26.73
Intangible assets	-44.41	-36.25	-23.25	-23.99	14.48	36.70
Long-term investments	0.00	-6.54	0.00	0.00	0.00	0.00
Right of use assets	77.64	-23.84	38.48	100.00	0.00	0.00
Long-term deposits and loans	-5.04	33.90	12.88	-2.02	1.58	4.81
	3.33	**7.11**	**14.16**	**4.36**	**9.19**	**26.49**
Current Assets						
Stores and spares	-5.53	89.35	-13.52	25.83	53.82	40.46
Stock-in-trade	-35.58	83.87	-23.31	19.80	-12.56	119.11
Trade debts	-9.21	-13.33	28.98	44.01	90.34	22.85
Loans and advances	-14.88	56.99	17.73	53.82	-19.59	5.21
Other receivables	793.12	-99.90	-47.87	314.40	-43.92	28.69
Trade deposits & short term prepayments	-33.57	48.35	-96.72	1688.79	-18.75	0.65
Taxation - net	31.92	21.47	17.62	54.05	104.52	100.00
Cash and bank balances	-23.81	-5.73	-25.68	246.41	12.18	88.44
	-18.20	**34.70**	**-8.14**	**39.92**	**13.36**	**88.84**
TOTAL ASSETS	**-7.33**	**19.20**	**3.19**	**19.28**	**10.90**	**46.32**

VERTICAL ANALYSIS

PROFIT OR LOSS	2023	2022	2021	2020 (Restated)	2019	2018
	%	%	%	%	%	%
Turnover - net	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	-86.89	-88.84	-88.42	-93.17	-91.52%	-82.20
Gross profit	**13.11**	**11.16**	**11.58**	**6.83**	**8.48**	**17.80**
Distribution costs	-2.22	-2.07	-2.41	-2.57	-2.51	-2.49
Administrative expenses	-1.65	-1.26	-1.41	-1.90	-1.61	-2.25
Reversal of / (allowance for) expected credit losses	-0.26	-0.01	0.18	-0.70	-0.14	-0.34
Other income	0.02	0.04	0.06	0.03	0.02	0.15
Other expenses	-0.18	-0.32	-0.32	-0.36	-0.06	-0.79
Operating profit	**8.81**	**7.54**	**7.68**	**1.34**	**4.18**	**12.07**
Finance costs	-8.86	-3.96	-4.15	-8.67	-4.41	-3.07
Profit before taxation	**-0.06**	**3.57**	**3.53**	**-7.32**	**-0.23**	**9.00**
Taxation	-1.43	-1.29	-0.04	2.64	0.35	1.23
Profit after taxation	**-1.49**	**2.28**	**3.49**	**-4.68**	**0.11**	**10.23**
Other comprehensive (loss) / income	-0.03	-0.02	4.14	-0.01	-0.06	4.79
Total comprehensive (loss) / Income	**-1.52**	**2.26**	**7.62**	**-4.70**	**0.06**	**15.02**

HORIZONTAL ANALYSIS

PROFIT OR LOSS	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
	%	%	%	%	%	%
Turnover - net	-21.81	48.36	47.81	-7.22	84.48	16.69
Cost of sales	-23.53	49.07	40.28	-5.55	105.40	17.81
Gross profit	**-8.15**	**42.92**	**150.51**	**-25.19**	**-12.14**	**11.76**
Distribution costs	-16.19	27.29	38.64	-4.80	85.75	14.37
Administrative expenses	2.06	32.70	10.18	9.02	32.25	21.40
Reversal of / (allowance for) expected credit losses	2210	-107.44	-137.57	367.75	-24.23	40.35
Other income	-66.08	1.61	195.31	15.09	-68.52	206.39
Other expenses	-54.89	50.62	31.15	433.15	-85.61	5.58
Operating profit	**-8.62**	**45.58**	**745.41**	**-70.19**	**-36.11**	**10.25**
Finance costs	74.83	41.70	-29.20	82.15	165.01	89.33
Profit before taxation	**-101.25**	**50.15**	**-171.23**	**2793.08**	**-104.82**	**-3.52**
Taxation	-13.29	4695.75	-102.24	601.10	-47.60	-151.39
Profit after taxation	**-151.18**	**-3.12**	**-210.16**	**-3883.96**	**-97.93**	**47.59**
Other comprehensive (loss) / income	22.58	-100.71	-42994.79	-76.32	-102.15	-3135.90
Total comprehensive (loss) / Income	**-152.70**	**-56.05**	**340.01**	**-7490.33**	**-99.28**	**121.84**

VERTICAL ANALYSIS

CASH FLOW	2023	2022	2021	2020	2019	2018
	%	%	%	%	%	%
Net cash generated from / (used in) operating activities	-17365	-1182	-348	-867	4692	-3607
Net cash used in investing activities	3920	-1154	163	-295	-13384	-4753
Net cash (used in) / generated from financing activities	13545	2435	284	1262	8791	8459
Increase / (decrease) in cash and cash equivalents	100	100	100	100	100	100

HORIZONTAL ANALYSIS

CASH FLOW	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
	%	%	%	%	%	%
Net cash generated from / (used in) operating activities	-421	-190	-161	-634	-134	-161
Net cash used in investing activities	-26	87	-16	-36	-27	-29
Net cash (used in) / generated from financing activities	-222	-326	-134	315	-73	2924
Increase / (decrease) in cash and cash equivalents	-122	-126	-252	2791	-74	-120

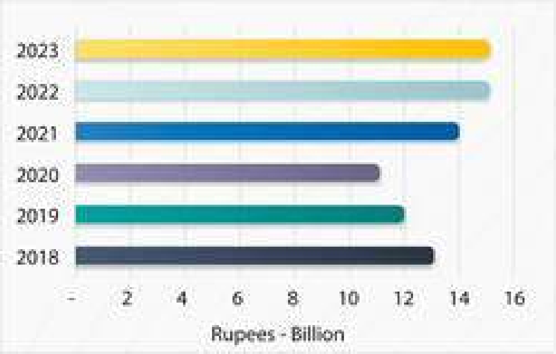
SIX YEARS' ANALYSIS

Financial Position, Performance & Cash Flows

Statement of Financial Position

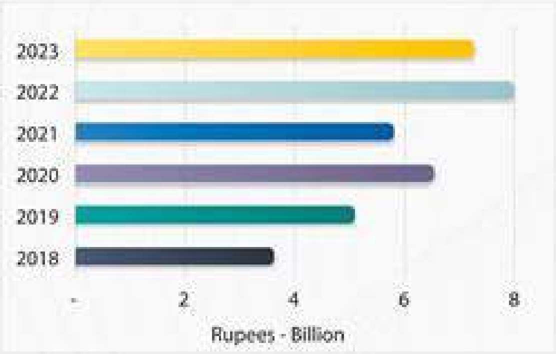
Shareholders' Equity:

The Company's shareholders' equity has exhibited a diverse set of trends over the past six years, influenced by a confluence of factors. Between FY 18 and FY 20, reserves dwindled from Rs. 12.88 billion to Rs. 10.95 billion, primarily attributed to a decreased profit in FY 19 and dividend payouts during that period. Additionally, FY 20 recorded a loss due to Covid-19 shutdown, further diminishing the equity. However, during FY 21 and FY 22, shareholders' equity experienced growth due to profit generation and an increase in surplus resulting from the revaluation of fixed assets. In FY 23, shareholder equity witnessed a decline of Rs. 692 million, primarily driven by a net loss incurred by the end of the year, attributable to challenging and adverse economic conditions and political uncertainty in the country throughout the year.



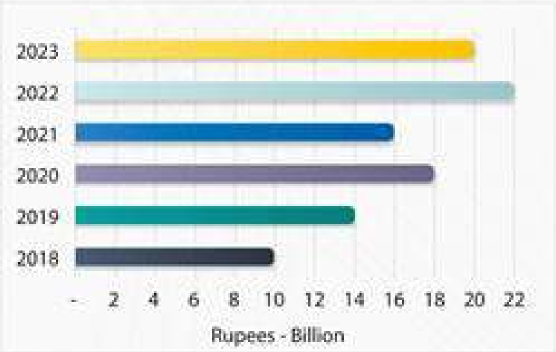
Non - Current Liabilities:

Within the category of non-current liabilities, there are variety of elements such as long-term borrowings, loans from related parties, deferred liabilities, deferred taxation, lease obligations, and government grants. Over the period spanning from FY 18 to FY 23, the trajectory of non-current liabilities exhibited a combination of fluctuations. The notable uptick in these liabilities can be primarily attributed to the availing of term loans for permanent working capital and to fund capital expenditures for Solar project under refinancing scheme and BMR aiming to reduce cost of production under ITERF facility of State Bank of Pakistan. Further, increase in FY 22 and FY 23 represents increase in deferred tax liability due to imposition of super tax.



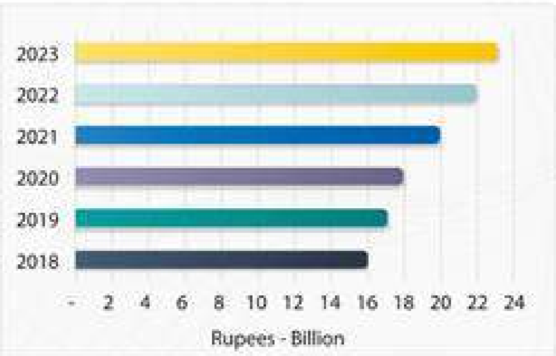
Current Liabilities:

Current liabilities encompass short-term borrowings, trade and other payables, unclaimed dividends, and the current portion of long-term borrowing. The surge in current liabilities can be attributed primarily to short-term borrowings and trade and miscellaneous payables, which encompass financial support from Islamic banks, specifically in the form of Murabaha financing. The fluctuations in short-term borrowings mirror the fluctuations in working capital requirements, influenced by changes in capacity utilization, imported scrap prices, currency depreciation and rising input costs throughout the given period.



Non – Current Assets:

This includes property, plant, and equipment, long-term deposits, long-term investments, and intangible assets. Notably, property, plant, and equipment have consistently grown in value from FY 18 to FY 23. This growth can be attributed to several strategic initiatives, including the acquisition and installation of a new rolling mill with an annual capacity of 425,000 MT, a substantial expansion in billet manufacturing capacity from 200,000 tons to 600,000 tons per annum, the acquisition of land and the construction of warehouses in Lahore and Islamabad, the installation of a 7.1 MW solar power plant at Dhabeji, acquisition of new head office and various other projects designed to enhance production efficiency and reduce production costs.

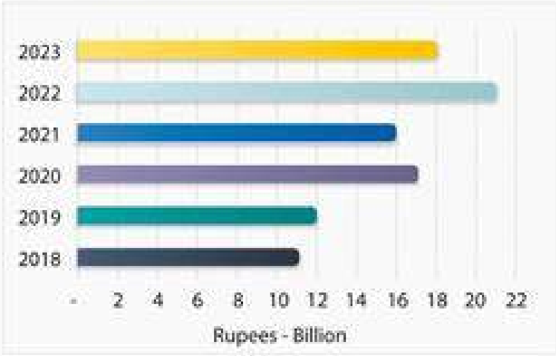


SIX YEARS' ANALYSIS

Financial Position, Performance & Cash Flows

Current Assets:

The current assets of the Company encompass stores and spares, stock in trade, trade debts, prepaid expenses, and cash and bank balances. Notably, there has been a substantial rise in the Company's production capacities and sales volumes during the FY 18 to FY 22. Consequently, the current assets have exhibited a compounded annual growth rate of 18.4%. This growth is primarily attributed to the increase of stock in trade, which escalated from Rs. 7.4 billion in FY 18 to Rs. 11.01 billion in FY 22. This increase can be attributed to amplified capacity utilization, currency devaluation, and an upswing in input costs. However, in FY 23, stock in trade decreased by Rs. 3.9 billion on account of reduced capacity utilization due to economic downturn. Furthermore, trade debts surged from Rs. 1.78 billion in FY 18 to Rs. 4.9 billion in FY 23 which is in lined with the overall increase in Company's top line.



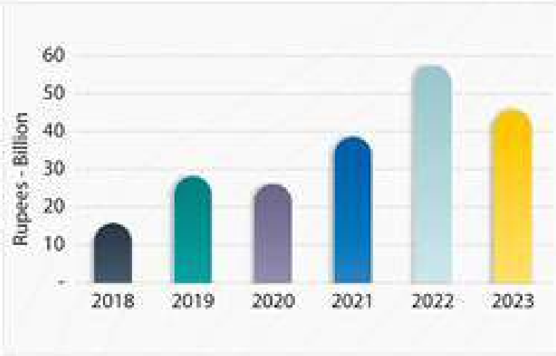
SIX YEARS' ANALYSIS
Financial Position, Performance & Cash Flows

Statement of Profit or Loss

Sales:

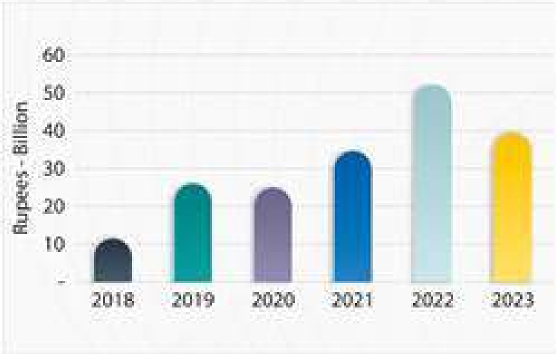
The Company has achieved a robust compound annual growth rate (CAGR) of 24.0% in sales revenue since FY 18 till FY 23. This remarkable revenue growth can be attributed to both an increase in sales volumes and prices, driven by increased demand for construction materials. The Company is continuously increasing its footprints across the country and has significantly augmented its market share in the northern region, surging from 19% in FY 18 to an impressive 43% by FY 23.

However, during FY 23, a confluence of adverse factors, including record inflation of 29%, rupee devaluation more than 40%, high borrowing cost of 22% and political instability have overall compressed the national demand. Consequently, in FY 23 the Company witnessed a significant decline in revenue by 22% mainly due to decrease in sale volume by 38% when compared to FY 22.



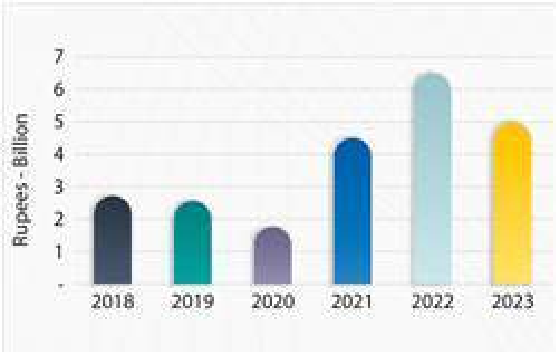
Cost of Sale:

The cost of goods sold represents a consistent upward trend from FY 18 to FY 22, parallel to the growth in sales revenue. The prime reasons for the increase in the cost of sales from FY 19 to FY 22 reflects increased capacity utilization and series of cost increased i.e. rupee devaluation, increase in international commodity prices after the resumption of global economy post-COVID-19, Russia – Ukraine conflict, K-Electric charges and cost of other input due to all time high inflation. However, in FY 23, decrease in cost sale represents low capacity utilization from 61% to 38% due to reasons discussed above. On the other hand, cost of sale per ton has increased enormously due to significant rupee devaluation of more than 40%, energy prices from average of Rs. 19 per unit to Rs. 29 per unit and YoY inflation of 29%



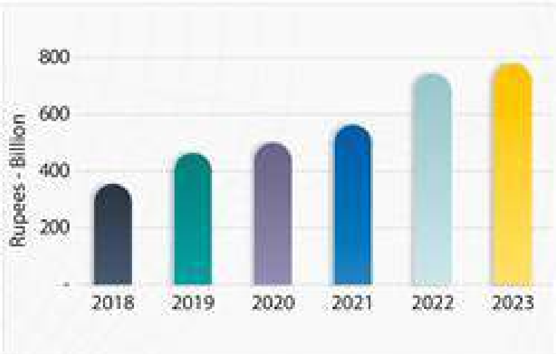
Gross Profit:

From FY 18 to FY 20, the gross margin started to decline from 17.8% to 6.83% due to the contraction of the economy, a decline in the country's GDP, Covid-19 lockdown. From FY 21 to FY 22, the gross profit improved both in terms of margin to an average of 11.37% and in absolute terms from Rs. 1.8 billion to Rs. 6.5 billion because of an improvement in economic conditions and increase in demand for construction material post Covid-19. In FY-23 gross profit declined from Rs. 6.5 billion to Rs. 5.9 billion due to lower sale volumes however, in term of margins it has improved to 13.11% due to better price retention.



Administrative Cost:

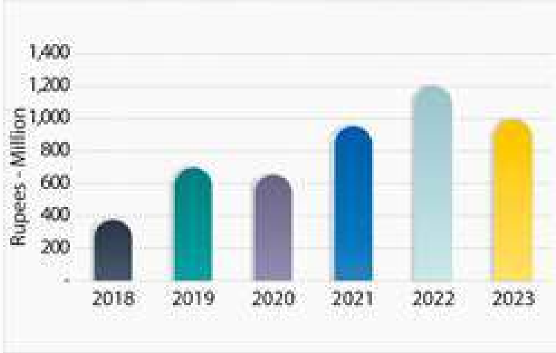
Over the five-year period from FY 2018 to FY 2023, administrative expenses surged from Rs. 349 million to Rs. 751 million. However, when considered as a percentage of total sales, there was an improvement from 2.25% in FY 2018 to 1.65% in FY 2023. The increase in absolute terms represents the inflationary increase in cost over the period, an increase in the Company's operational cost due to an increase in production capacities including a significant increase in the number of employees to support expanding operations of the Company.



SIX YEARS' ANALYSIS

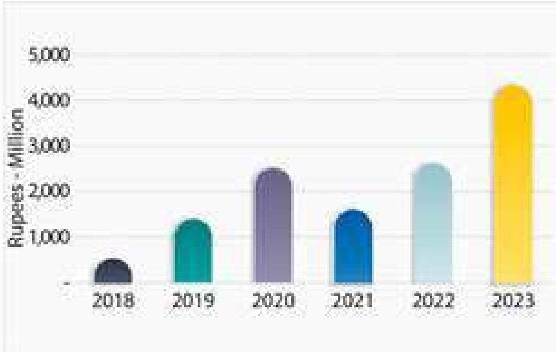
Financial Position, Performance & Cash Flows

Distribution Cost:



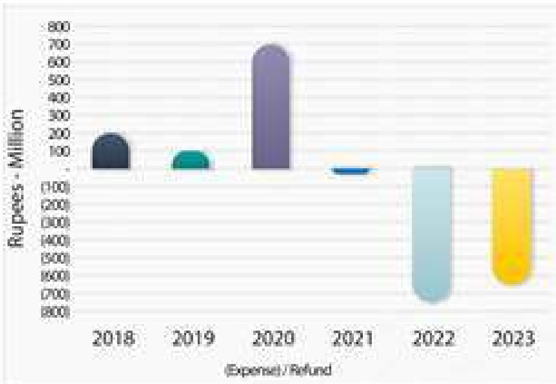
Distribution costs aligned with the Company's growth in sales revenue from FY 2018 to FY 2023. Despite the distribution-to-sales ratio declining from 2.49% in FY 2018 to 2.22% in FY 2023, the absolute distribution costs have risen during this period. This increase can primarily be attributed to increased expenditures on advertising, sales and promotions. Additionally, the Company has expanded its presence nationwide and extended its distribution operations in the northern region, resulting in increased expenses for cartage and transportation. The upward trend in transportation charges is further exacerbated by rising fuel costs. Furthermore, there has been an increase in salaries and wages over the years, driven by the growth in human resources and inflationary increase in labor costs.

Finance Cost:



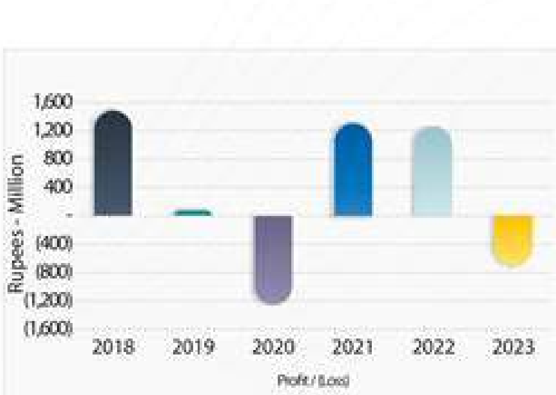
The Finance cost incorporates interest payments on both short-term and long-term borrowings, along with various other financial charges. The Company has witnessed a substantial upswing in its finance costs, with a compounded annual growth rate of 53% spanning from FY 2018 to FY 2023. The prime reason for the increase in finance costs was short-term borrowings & interest rates. The short-term borrowings from FY 18 to FY 22 were increased due to increased working capital requirements as mentioned above under the heading of "current asset". The Company also obtained long-term loans to fund permanent working capital and to fund some of its capital expenditures on various projects. In FY 23, the increase is primarily attributable to an increase in interest rate from an average of 10% in FY 22 to 18.5% in FY 23.

Taxation:



Taxation expenses have exhibited fluctuations with the changes in profitability. During the period spanning from FY 2018 to FY 2020, tax reversals occurred as a result of the company benefiting from tax credits related to its investments in the newly installed rolling mill and billet capacity expansion at Dhabeji, in accordance with sections 65(B) and 65(E) of the Income Tax Ordinance 2001. Additionally, deferred tax assets were recognized resulting from taxable losses and excess minimum tax over current tax liability, as stipulated by section 113 of the Income Tax Ordinance 2001. However, in FY 2021, taxation expenses emerged due to the expiration of the previously availed section 65(B) credits from 2018 and the utilization of taxable losses following a return to profitability, as explained earlier. In FY 2022, the tax expense escalated due to the imposition of a super tax, which led to an increase in the tax rate from 29% to 33%. Finally, in FY 23, the tax expense has increased due to revision in super tax rates in fiscal budget 2023-24 resulting in recognition of deferred tax liability at 39%.

Net Profit:



The Company achieved positive net profits in FY 2018 and FY 2019, but faced losses in FY 2020 and FY 2023, as previously discussed in this analysis. The net profit for FY 2019 declined to Rs. 32 million due to the sudden depreciation of the rupee, leading to a significant increase in the Company's production costs. Furthermore, finance costs surged with interest rates rising by over 100%, and demand contracted during this period.

In FY 2020, the economic downturn persisted due to the factors detailed earlier in this analysis including Covid-19 lockdown, resulting in a net loss of Rs. 1.2 billion for the Company. Moving on to FY 2021, the Company rebounded strongly, recording a net profit of Rs. 1.3 billion, primarily driven by increased demand spurred by government stimulus packages aimed at boosting the construction industry.

FY 2022 showcased a mixed performance in terms of profitability for the Company. While the first nine months of the year remained robust, the last quarter witnessed a downturn, resulting in a net profit figure of Rs. 1.3 billion, matching the previous year's performance.

However, in FY 2023, the Company reported a net loss of Rs. 678 million due to reduced demand caused by the factors discussed above in this analysis, which led to a decline in sales volume. This was exacerbated by inflation-driven increases in costs, a substantial rise in utility expenses, record high interest rates and increase in super tax rates.

SIX YEARS' ANALYSIS

Financial Position, Performance & Cash Flows

Statement of Cash Flows

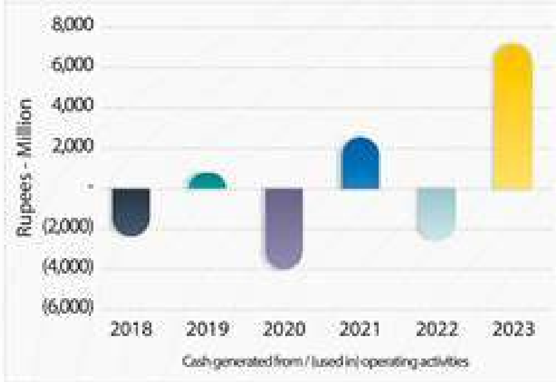
Cash flow From Operating Activities:

In FY 2018, the Company procured significant quantities of steel scrap to meet the increased requirement arising from the commencement of operations at a new rolling mill in Dhabeji. This decision led to a negative cash flow for the year. In FY 2019, the company managed to generate a positive cash flow from its operations by implementing more effective control over trade debts and maintaining optimal inventory levels.

Cash flows faced challenges in FY 2020 due to lockdowns and economic contraction caused by macroeconomic imbalances, resulting in a negative cash flow from operations. However, FY 2021 saw an improvement in the country's economic conditions due to government stimulus packages, allowing the Company to generate positive cash from operations amounting to Rs. 2.4 billion, driven by profitability and enhanced cash conversion cycle.

In FY 22, the sales quantities sold in the fourth quarter were considerably lower than budgeted due to regime change and economic downturn resulting in a negative cash flow from operating activities.

Conversely, in FY 2023, the Company achieved a positive cash flow, primarily due to reduced capacity utilization and reduction in inventory levels primarily caused due to restrictions on opening of LCs to save the foreign exchange reserves held by the country.

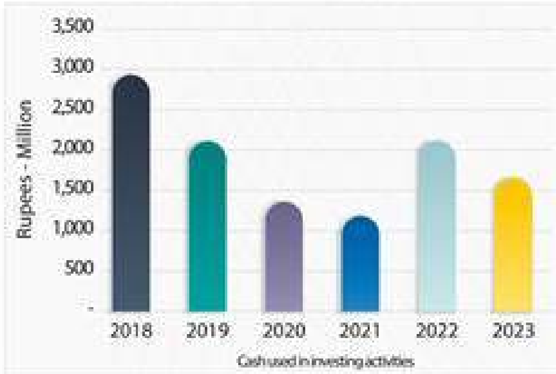


Cash flow From Investing Activities:

The cash flow generated from investing activities primarily involves investments in property, infrastructure, equipment and recurring capital spares. Beginning in FY 2018, the Company embarked on a significant investment initiative to expand its production capacities for both steel billets and rebars. This involved the addition of steel melting furnaces and the installation of a 425,000-ton rolling mill at Dhabeji. In FY 2020, alongside other capital expenditures, the Company successfully completed the construction of warehouses in Islamabad and Lahore as part of its strategy to extend its geographical reach across the country.

In FY 2021 saw continued investments by the Company in the acquisition of cutting-edge technologies, including a 4.2 MW solar power plant, enhancements to the Continuous Casting Machine to boost productivity, and measures aimed at reducing manufacturing costs. In FY 2022, the Company finalized the installation of an induction heater for billets, a move designed to enhance production efficiencies. Additionally, the Company expanded its solar power plant capacity by 2.7 MW during this period.

In FY 2023, the Company invested in new head office at Sky Towers, IBO hood for environmental protection, aluminum ingots project and recurring capital spares.



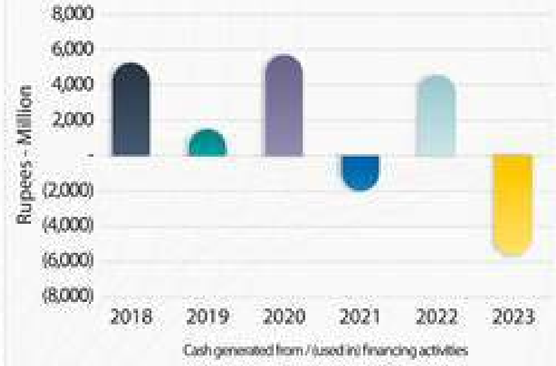
Cash flow From Financing Activities:

The cash flow from financing activities includes dividend payments, changes in short and long-term financing, and disbursements for finance-related expenses. From FY 2018 to FY 2020, the Company secured both short-term and long-term financing to bolster its working capital requirements and fund capital expenditures. Additionally, in FY 2020, the Company secured a syndicated long-term finance package of Rs. 4.0 billion to support permanent working capital needs.

In FY 2021, the Company generated cash from its operational activities, which it allocated towards funding capital expenditures under the purview of investing activities. It also directed these funds toward retiring long-term debt obligations, servicing finance-related costs, and reducing short-term running finance.

Moving on to FY 2022, the Company acquired short-term loans to meet the escalated working capital demands, driven by a substantial rupee devaluation and increases in raw material prices. The Company also obtained long-term finance under the Islamic temporary economic refinance facility (ITERF) to fund CAPEX as discussed above

In FY 2023, the cash generated from operations were used to pay short-term borrowing and principle repayment of term loan.



RATIO ANALYSIS

	UoM	2023	2022	2021	2020 (Restated)	2019 (Restated)	2018
Profitability Ratios							
Gross profit ratio	Percentage	13.11%	11.16%	11.58%	6.83%	8.48%	17.80%
Net profit / (loss) to sales ratio	Percentage	-1.49%	2.28%	3.49%	-4.68%	0.11%	10.23%
Return on equity	Percentage	-4.66%	8.69%	9.81%	-11.34%	0.27%	12.31%
Return on capital employed	Percentage	-3.54%	6.83%	7.79%	-8.26%	0.23%	11.77%
Operating leverage	Percentage	39.51%	94.26%	1558.95%	972.55%	-42.75%	65.82%
EBITDA margin to sales	Percentage	10.85%	8.76%	9.05%	4.63%	6.62%	14.87%
Liquidity Ratios							
Current ratio	Times	0.89 : 1	1.00 : 1	0.97 : 1	0.96 : 1	0.86 : 1	1.05 : 1
Quick / acid test ratio	Times	0.53 : 1	0.49 : 1	0.60 : 1	0.53 : 1	0.41 : 1	0.33 : 1
Cash to current liability	Times	-0.09 : 1	-0.08 : 1	-0.11 : 1	-0.06 : 1	0.01 : 1	0.01 : 1
Cash flow from operations to sales	Times	0.15 : 1	-0.04 : 1	0.06 : 1	-0.15 : 1	0.03 : 1	-0.14 : 1
Activity / Turnover Ratios							
Inventory turnover	Times	4.4	6.1	5.0	3.4	3.7	2.3
No. of days in Inventory	Days	84	60	73	106	97	156
Debtor turnover	Times	8.7	9.9	7.0	6.4	11.0	9.6
No. of days in receivables	Days	42	37	52	57	33	38
Creditor turnover	Times	18	134	84	75	150	123
No. of days in payables	Days	20	3	4	5	2	3
Operating cycle	Days	105	94	121	158	128	191
Total asset turnover	Times	1.1	1.3	1.1	0.8	1.0	0.6
Fixed asset turnover	Times	2.0	2.7	1.9	1.5	1.7	1.0
Investment / Market Ratios							
(LPS) / EPS - basic & diluted	Rupees	(2.28)	4.46	4.61	(4.18)	0.11	5.34
P/E ratio	Times	(6.72)	5.25	9.43	(7.81)	223.14	13.21
Dividend yield ratio	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	3.12%
Dividend payout ratio	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	41.20%
Dividend coverage ratio	Times	-	-	-	-	-	2.43
Cash dividend per share	Rupees	-	-	-	-	-	2.20
Price to book ratio	Times	1.53	2.34	4.34	3.26	2.47	7.05
Market value per share							
- Year End	Rupees	15.35	23.44	43.44	32.64	24.66	70.55
- Highest	Rupees	30.86	49.98	54.65	41.61	79.41	119.48
- Lowest	Rupees	14.99	21.50	32.55	15.83	21.57	64.34
Break value per share with surplus on revaluation	Rupees	49.03	51.36	46.94	36.87	41.06	43.37
Break value per share without surplus on revaluation	Rupees	36.76	38.88	34.23	29.16	33.11	35.17
Capital Structure Ratios							
Debt / equity ratio	Times	0.25 : 1	0.32 : 1	0.35 : 1	0.50 : 1	0.12 : 1	0.17 : 1
Weighted average cost of debt	Percentage	19.67%	10.76%	8.36%	13.31%	9.73%	5.57%
Financial leverage ratio	Times	1.20 : 1	1.49 : 1	1.34 : 1	1.83 : 1	1.16 : 1	0.88 : 1
Debt service ratio	Times	0.92 : 1	1.50 : 1	1.46 : 1	0.35 : 1	0.93 : 1	2.97 : 1
Interest cover	Times	0.99	1.90	1.85	0.15	0.95	3.93

COMMENTS ON RATIO ANALYSIS

Profitability Ratios

Gross profit

The Company has achieved a consistent annual sales growth rate of 24.03% between FY 18 and FY 23. In FY 18, the Company maintained a respectable gross margin of 17.80% thanks to favorable economic conditions and the country's growing GDP. However, in FY 19, a significant drop in the gross profit margin to 8.48% was observed due to an economic slowdown caused by efforts to address twin deficits, leading to an abnormal devaluation of the national currency, reduced national consumption, and a decline in GDP from 5% in FY 18 to 1.4%. This downward trend continued in FY 20, exacerbated by the outbreak of the COVID-19 pandemic, resulting in a further decrease in the gross profit margin to 6.83%.

The economic situation began to improve at the start of FY 21, with the lifting of lockdown measures and government and State Bank of Pakistan initiatives to support the economy, particularly in the construction and related industries. This improvement in conditions led to a 3.94% GDP growth from the negative 0.4% recorded in FY 20, allowing the Company to achieve a gross profit margin of 11.58%. During FY 22, despite significant increases in production costs due to currency depreciation and inflation, the Company managed to sustain demand and pass on the rising costs to its selling prices, resulting in a slight decline in gross margin to 11.16% (a decrease of 0.42%).

In FY 23, economic challenges persisted due to political instability, record-high inflation, rupee devaluation, and rising utility rates. Nevertheless, the Company successfully achieved a margin of 13.11% due to improved price retention.

Operating and Net Profit

The operating profit and net profit margins followed a similar pattern as the gross margin trend discussed earlier. The Company effectively managed its administrative and distribution costs as a percentage of sales from FY 18 to FY 23. However, in FY 19 and FY 20, the finance cost of the Company increased due to the rise in the policy rate, leading to a decline in the net profit margin to 0.11% and a negative 4.68%, respectively.

In FY 21, as the gross margin improved and the policy rate decreased to 7% (compared to 13% in FY 20), the Company achieved a net profit margin of 3.49%. However, in FY 22, the net profit margin decreased to 2.28% due to a significant increase in the policy rate and higher borrowing costs. The substantial rise in policy rates during FY 23 to 22% resulted in a substantial increase in finance costs coupled with increase in tax expense due to revision in super tax rate resulted in an operating loss and a net profit margin decline to a net loss margin of 1.49%

Liquidity and Working Capital Ratios

Liquidity Ratios

The liquidity ratios primarily stem from the Company's internal cash generation. As discussed earlier, the decline in profit margins had a direct impact on the current ratio, which decreased from 1.05 times in FY 18 to 0.89 times in FY 23. To bolster its permanent working capital, the Company secured a syndicated term loan of Rs. 4 billion, which led to an improvement in the current ratio, increasing it to 0.96 times from 0.86 times in FY 20.

In FY 21, the current ratio saw a slight uptick to 0.97, driven by profit generation but still falling short due to impending maturities of long-term loans in FY 22. The improved collection of cash in FY 22 further enhanced the current ratio, reaching 1.00 from 0.97. However, the unprecedented economic challenges, declining foreign exchange reserves, limitations on LC opening and political instability during the FY 23 have severely impacted the sale off-take which in turn adversely affects the company's profitability. Consequently, the current ratio dropped to 0.89 in FY 23 compared to the 1.00 recorded in FY 22.

Working capital ratios

The duration for which inventory is held remained consistent within the range of 156 to 84 days from FY 18 to FY 23. In FY 18, the Company accrued an elevated inventory period of 156 days due to the implementation of a new rolling mill and the expansion of the melt shop, resulting in the stockpiling of raw materials. In FY 19, the Company produced 59% more and sold 61% excess quantities compared to FY 18, leading to a notable improvement in inventory days, reducing them by 58 days to 97 days in FY 19.

In FY 20, inventory days extended to 106 days primarily due to the COVID-19 lockdown in the fourth quarter, resulting in minimal consumption and an accumulation of raw material inventory during this period. FY 21 saw the Company adopt a just-in-time inventory approach to facilitate cash flow, resulting in a decrease of inventory days by 33 days to 73 days.

Efficient working capital management and the maintenance of an optimal inventory level led to a further 13-day improvement in inventory days, reducing them to 60 days in FY 22. However, during FY 23, the inventory days increased by 24 days due to lower sales volume in fourth quarter due to increased political unrest, delays in IMF, upcoming budget for 2023-24 and on-going macro-economic crisis. Creditor's days remained consistent with the overall trend.

Debtor days are computed based on the average debtor balance and net sales. The Company's debtor days have fluctuated between 38 and 42 days from FY 18 to FY 23. The Company is dedicated to reducing its debtor days and has established a specialized sales and credit administration department to manage and oversee receivables from customers. Nevertheless, FY 20 posed significant challenges due to extraordinarily low demand and COVID-19 lockdowns that disrupted sales, production, and collections. Consequently, debtor days increased to 57 days in FY 20 compared to 33 days in FY 19.

COMMENTS ON RATIO ANALYSIS

In FY 21, as sales and collections improved, debtor days were reduced to 52 days. FY 22 witnessed a notable improvement of 15 days, bringing debtor days down to 37 days, achieved through diligent follow-ups, revisiting customer credit policies, and adjusting credit limits. In FY 23, debtor days increased by 05 days to 42 days due to slowdown in economic liquidity.

Investment / Market Ratios

The earnings (or losses) per share remained within the spectrum of Rs. 5.34 to a loss of Rs. 2.28 from FY 18 through FY 23. These fluctuations in earnings per share directly correlate with changes in the Company's profitability, as detailed in the profitability section.

The Company's shares were actively traded on the Pakistan Stock Exchange, with prices ranging from Rs. 14.99 to Rs. 30.86 throughout FY 23. The lowest recorded price was Rs. 14.99, while the highest was Rs. 30.86 during the fiscal year.

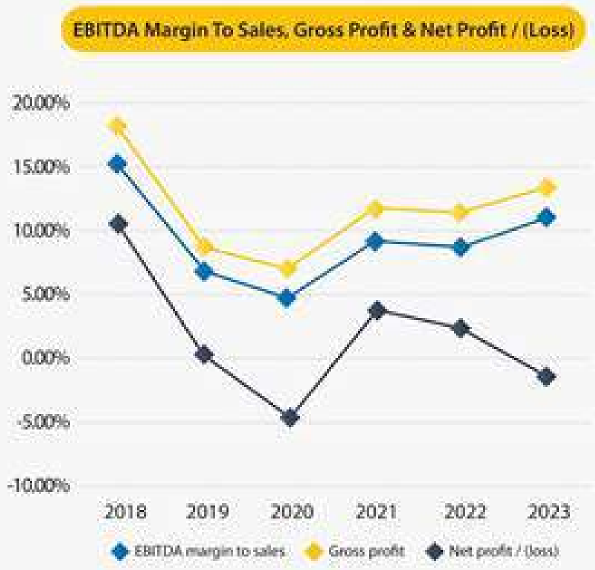
The breakup value per share, without considering revaluation, maintained a consistent range of Rs. 35.17 to Rs. 36.76 from FY 18 to FY 23. This breakup value per share primarily relies on factors such as capital reserves, revenue reserves, and the total number of ordinary shares. Notably, the capital reserves and the quantity of ordinary shares remained unchanged over the past six years. However, fluctuations in revenue reserves occurred due to variations in profits, as discussed in the profitability section.

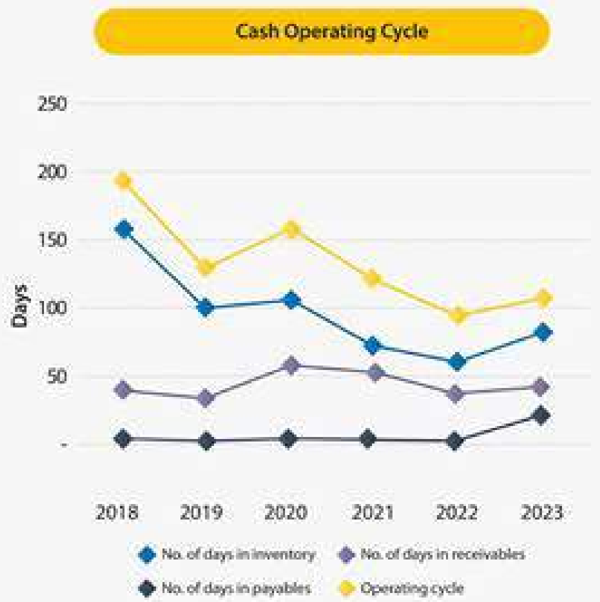
Capital Structure Ratios

The debt-to-equity ratio and financial leverage showed an upward trend from FY 17 to FY 20. This increase can be attributed to the Company's investments in plant and machinery for expansion and modernization, as well as the heightened working capital requirements discussed in detail in the profitability section above. However, there was an improvement in both the debt-to-equity ratio and financial leverage in FY 21 and FY 22. This positive change was driven by the generation of profits and the recording of a surplus on the revaluation of fixed assets in FY 21.

On the other hand, the debt service ratio and interest cover experienced a decline from FY 18 to FY 23. Several factors contributed to this decline, including a significant decrease in profitability, increased borrowings, fluctuations in the policy rate, and incurring losses in FY 19 and FY 20. Nevertheless, there was a noteworthy improvement in both ratios in FY 21. This improvement can be attributed to enhanced profitability and reduced finance costs. In FY 22, the debt service ratio saw a slight decline due to increased finance costs and the maturity of long-term loans, although the interest cover improved because of the enhanced profitability. In FY 23, both the interest cover and debt service ratio experienced a decline due to a net loss during the year compared to a profit in the previous year due to the reasons discussed earlier in this analysis.

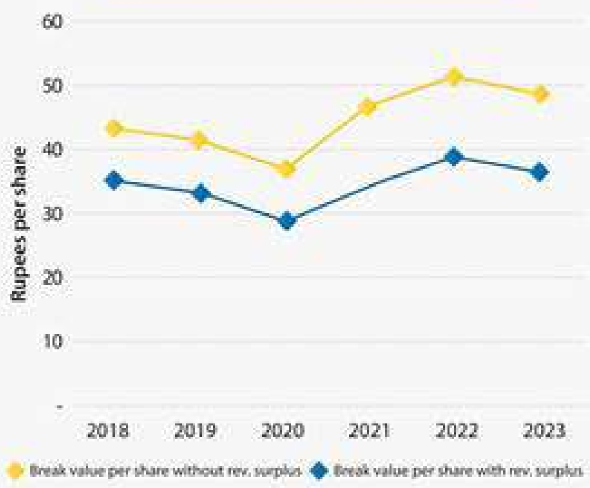
GRAPHICAL PRESENTATION





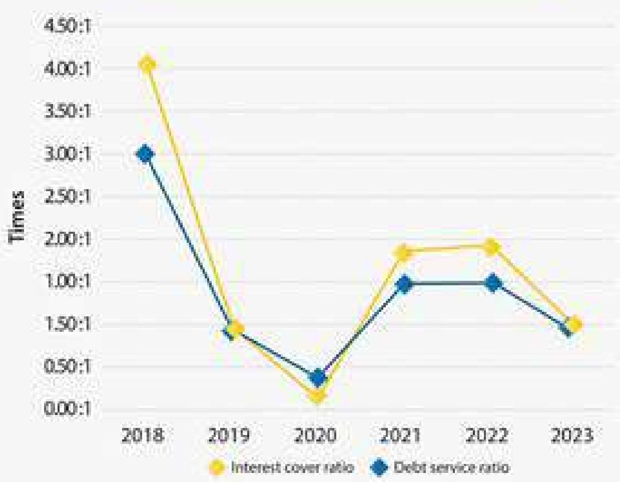
GRAPHICAL PRESENTATION

Break Value Per Share

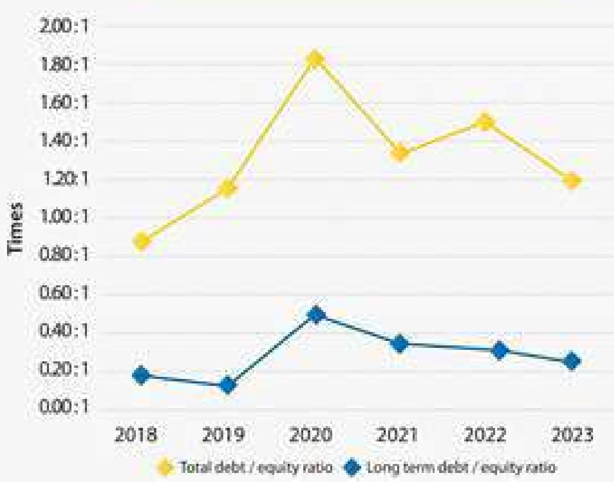


Market Value Per Share

Debt Service & Interest Cover Ratio



Long Term & Total Debt to Equity Ratio

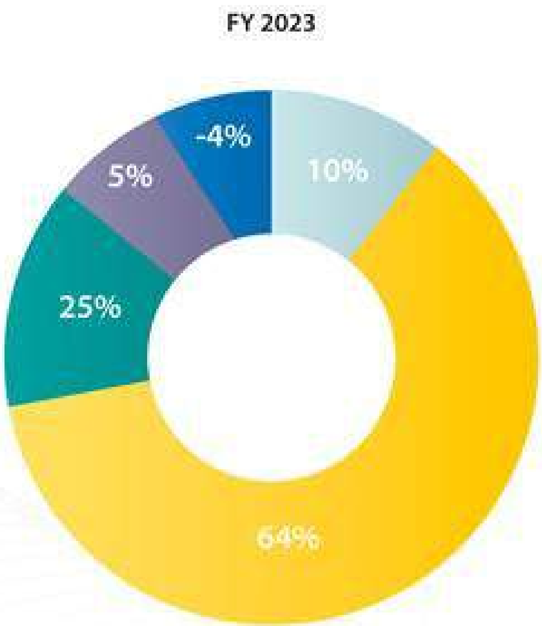


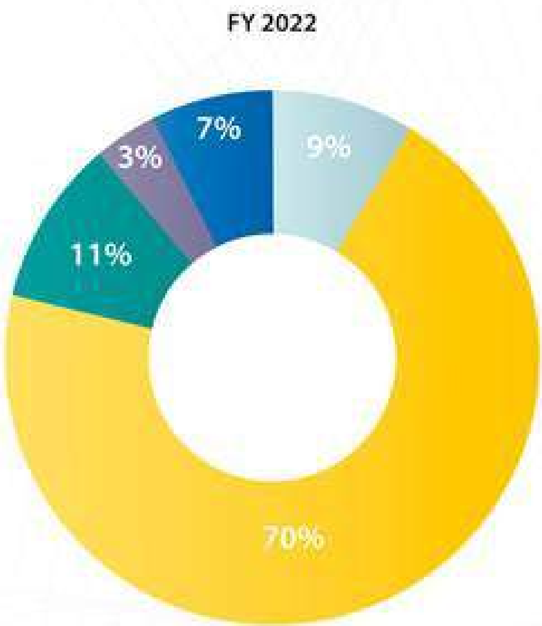
Capacity Utilization - Rolling Mills

Capacity Utilization - Steel Melt Shop

STATEMENT OF VALUE ADDITION & WEALTH DISTRIBUTION

	2023		2022	
	Rs.'000'		Rs.'000'	
WEALTH GENERATION				
Revenue from sales including sales tax	53,410,342		68,090,993	
Revenue from other income	8,312		24,507	
Bought in material and services	(36,995,882)		(48,016,129)	
Value added by the Company	**16,422,772**		**20,099,371**	
WEALTH DISTRIBUTION				
To Employees:				
Salaries, Wages and Other benefits	1,655,772	10%	1,749,845	09%
To Government:				
Income tax, Sales tax, Customs & Excise duties	10,491,936	64%	14,010,066	70%
To Providers of capital:				
Bank Charges and Markup	4,032,761	25%	2,306,697	11%
For Replacement of assets:				
Depreciation and Amortization	920,746	05%	707,248	03%
To Company:				
(Net loss) / Retained profit	(678,443)	-04%	1,325,515	07%
	16,422,772	100%	**20,099,371**	100%





QUARTERLY ANALYSIS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
			Rs. '000'		
Sales	9,819,863	13,211,020	11,666,940	10,794,901	45,492,724
Cost of Sales	(8,231,276)	(12,357,132)	(9,559,890)	(9,382,263)	(39,530,561)
Gross Profit	**1,588,587**	**853,888**	**2,107,050**	**1,412,638**	**5,962,163**
Gross Profit %	16.18%	6.46%	18.06%	13.09%	13.11%
Administrative Expenses	(163,805)	(170,821)	(191,834)	(224,654)	(751,114)
(Allowance) / Reversal of Expected Credit Losses	(42,551)	(9,989)	(102,535)	35,473	(119,602)
Distribution Expenses	(219,425)	(279,621)	(246,353)	(263,378)	(1,008,777)
Other Expenses	(22,475)	1,127	(33,663)	(29,086)	(84,097)
Other Income	1,887	5,011	5,502	(4,088)*	8,312
Operating Profit	**1,142,218**	**399,595**	**1,538,167**	**926,905**	**4,006,885**
Operating Profit %	11.63%	3.02%	13.18%	8.59%	8.81%
Finance Cost	(927,917)	(1,031,054)	(991,563)	(1,082,227)	(4,032,761)
Profit / (Loss) Before Taxation	214,301	(631,459)	546,604	(155,322)	(25,876)
Taxation	(10,238)	242,652	(70,891)	(814,090)	(652,567)
Net Profit / (Loss)	**204,063**	**(388,807)**	**475,713**	**(969,412)**	**(678,443)**
Net Profit / (Loss) %	2.08%	-2.94%	4.08%	-8.98%	-1.49%

* In the fourth quarter, the Company faced a loss on selling of fixed assets that exceeded the other income generated during that same quarter.

	Quarter 01	Quarter 02	Quarter 03	Quarter 04
Billet Production	57,099	73,472	67,588	17,071
Rebar Production	55,251	59,248	67,734	23,247
Rebar Sales	49,023	70,192	51,992	47,072

COMMENTS ON QUARTERLY ANALYSIS

First Quarter:

During this quarter, the Company's performance was influenced by exceptional circumstances encountered in the country. The sales volume experienced a significant downturn of 43% when compared to the same quarter of last year due to the unprecedented monsoon rainfall, leading to flash flooding and extensive damage. However, sale price has increased by 41% primarily due to significant rupee devaluation by 40% when compared with corresponding quarter, resulting in a decline in sales revenue by 17%.

The cost of goods sold witnessed a significant surge of 40% during this quarter, primarily attributed to the substantial devaluation of the rupee against the dollar and low capacity utilization of 38% as compared to 60% in corresponding quarter. Additionally, the prices of electricity and RLNG (Regasified Liquefied Natural Gas) have also experienced an increase throughout the quarter. However, the company achieved a notable improvement in gross profit margin, with a gain of 1.89% due to better price retention during the quarter.

During the quarter, the company's operational performance demonstrated improvement as reflected by a reduction of 8% in administrative and distribution expenses. This decrease can be attributed to lower sales volume coupled with enhanced gross margins.

The company experienced a 3.85% decline in its bottom line in this quarter compared to the corresponding quarter of the previous year. This decline can be primarily attributed to a significant increase in finance costs, resulting from higher interest rates. Furthermore, the tax expense decreased due to the lower profitability as compared to same quarter last year.

Second Quarter:

The prevailing trends shaped by the extraordinary conditions faced by the country in the first quarter persisted into the second quarter. The areas most impacted in the Sindh province remained submerged in flood waters, which is where the company sells more than half of its sales volume. Consequently, there was a 25% decline in sales volume during this period. Additionally, factors such as continued rupee devaluation, increases in fuel prices, and other input costs resulted in increased in sale price by 13%. As a result, the sales revenue for this quarter declined by 11% compared to the same quarter of the previous year.

During this quarter, the cost of goods sold experienced a noteworthy surge of 22%, primarily attributed to the substantial devaluation of the rupee against the dollar. Additionally, prices of additive materials, electricity, and fuel witnessed an increase throughout the quarter. Furthermore, international scrap prices saw a reduction due to global contraction and uncertainty in the market regarding possible appreciation of PKR to Dollar below 190 has put to hold on overall buying in the market, where the demand was already affected due to remains of flood water. Consequently, prices of steel bars decreased resulting in a decline of 5.0% in the gross profit margin compared to the same quarter of the previous year.

The operating margin followed by dropped in gross margin mentioned above witnessed a decrease of 4.8%, primarily attributed to an increase in distribution costs and increase in the allowance for expected credit loss due to deteriorated economic conditions and affected liquidity in the country.

In this quarter, the company witnessed a decline in its net profit margin by 7.01% compared to the same quarter of the previous year. The factors that primarily impacted the company's bottom line after operating margin was the increase in finance costs, driven by higher interest rates and increased utilization of borrowing facilities due to rupee devaluation. Tax expense continued to decrease due to lower profits as compared to same quarter last year.

Third Quarter:

During this quarter, the prevailing economic conditions in the country continued to deteriorate rather than showing signs of improvement. This further contributed to the contraction of the country's economy, leading to a significant decline of 46% in the sales volume of the company. Additionally, the country faced an all-time high inflation and massive rupee devaluation, resulting in increased sale price by 34%. Consequently, sale revenue declined by 27% primarily due to lower sale volumes on account of demand compression.

In this quarter, the cost of goods sold witnessed a notable increase of 23% compared to the same quarter of the previous year. The factors contributing to this cost increase remained largely consistent with the previous quarter, as discussed earlier. However, there was a significant improvement in the gross margin by 7.3% primarily attributed to better price retention during the quarter.

During this quarter, the operational performance of the company exhibited improvement compared to the same quarter of the previous year. The operating profit margin saw a positive change, increasing by 5.5%, primarily attributed to the increase in gross profit margin and a reduction in distribution costs due to lower sales volume.

During this quarter, the net profit margin of the company observed an overall improvement compared to the same quarter of the previous year that can be largely attributed to increased operating profit margin. However, it's worth noting that the finance cost of the company increased by 52% due to continued increase in interest rates. Furthermore, the taxation expense has increased as a result of taxable profits.

Fourth Quarter:

In this quarter, the continued deterioration in macro-economic variables coupled with political unrest has resulted in overall contraction in national demand, causing a substantial 31% decline in the company's sales volume. However, sale price witnessed an increased by 27% when compared to corresponding quarter due to unprecedented surge in inflation, energy prices and devaluation of PKR. As a result, sales revenue observed a decline of 45%.

During this quarter, the cost of goods sold experienced a noteworthy surge of 23% when compared to the same period in the previous year. The drivers behind this cost upswing remained largely consistent with those discussed in the preceding quarter coupled with low capacity utilization, all-time high energy prices and slight increase in scrap cost. However, gross margin observed improvement by 4.1% primarily due to better price retention.

Throughout this quarter, the company's operational performance demonstrated improvement when compared with the corresponding quarter of the prior year. The operating profit margin displayed a positive shift, rising by 3.7%. This increase can be primarily attributed to improvements in the gross profit margin and a reduction in distribution costs owing to the decreased sales volume. Further, allowance for expected credit losses observed reversal due to better recovery and decrease in receivables days which were increased earlier in this financial year.

In this quarter, the company's net profit margin exhibited a downward trend and transitioned into a loss when compared to the same quarter in the previous year. This decline can largely be credited to the heightened finance costs resulting from increased interest rates. Furthermore, the taxation expense increased significantly due to increase in super tax rates in fiscal budget of 2023-24 that has resulted in increased in deferred tax expense.

ANALYSIS OF VARIATION IN INTERIM RESULTS REPORTED WITH ANNUAL RESULTS

Sales Revenue:

During the year under consideration, the sales revenue exhibited a mixed pattern. A surge was observed in the second quarter, followed by declines in the subsequent third and fourth quarters. The Company's revenue is subject to the influence of a multitude of factors.

In the initial quarter, sales volume experienced a decrease when compared with the previous quarter. This decline could be attributed to several factors, including an unprecedented 24% inflation rate, elevated interest rates, as well as the substantial impact of monsoon rains and flash floods. The second quarter saw a notable rise in sales revenue, primarily driven by an increase in the sales volumes. The sale price witnessed a decrease due to demand contraction caused by lingering effects of floodwater across various parts of the Sindh province compounded by uncertainty in the market regarding potential decrease in rebar prices on account of decline in international steel scrap price and appreciation in PKR.

The downward trajectory of revenue seen in third and fourth quarter. This decline can be attributed to a combination of factors, including supply chain disruptions due to restrictions on Letters of Credit (LC) aimed at managing the current account deficit, economic contraction resulting from record devaluation of PKR, inflation, heavy borrowing cost and political unrest throughout this period.

Sales Revenue

Gross Profit:

The gross profit and gross profit margin displayed a mixed trajectory over the course of the year. In the initial quarter, the gross margin was at 16.18%, primarily due to the better price retention that were increased in 4th quarter of FY 22 due to significant increase in scrap prices beyond USD 600 per ton after Russia-Ukraine conflict.

However, in the second quarter, the gross profit margin plummeted significantly by 9.70% to 6.46% due to decrease in steel bar prices as discussed above and increase in cost of goods manufactured. This surge in cost can be attributed to substantial rupee devaluation, fuel and electricity expenses, high inflation and decreased capacity utilization of 39%.

The economic environment remained turbulent throughout the year, causing the Company's performance to lack a consistent trend. In the third quarter, the selling price increased by 23% in response to the continuous rise in input costs, and the company managed to retain the price increase. Consequently, the gross profit margin improved to 18%. However, sales volume decreased by 29% compared to the preceding quarter.

In the last quarter of year under review, the gross margin experienced a slight decline, primarily attributed to 10% increase in cost of sales due to rupee devaluation, high energy price and low capacity utilization. On the hand, prices only increased by 03% due to contraction in demand resulting in dropped in gross margin.

Quarterly Performance Analysis

Operating Profit:

The operating profit margin fluctuated between 11.63% and 3.02% from the first quarter to the last quarter. These fluctuations in operating profit can be attributed to changes in gross profit levels as discussed above. Additionally, distribution expenses remained consistent throughout all quarters, while administrative expenses saw a slight uptick during the year, primarily driven by inflationary increases in fuel, electricity, travel, and related costs.

Furthermore, the allowance for expected credit loss experienced an increase over the course of the year. This increase was primarily due to increase in receivable days caused by deteriorating economic conditions and overall economic liquidity during the year.

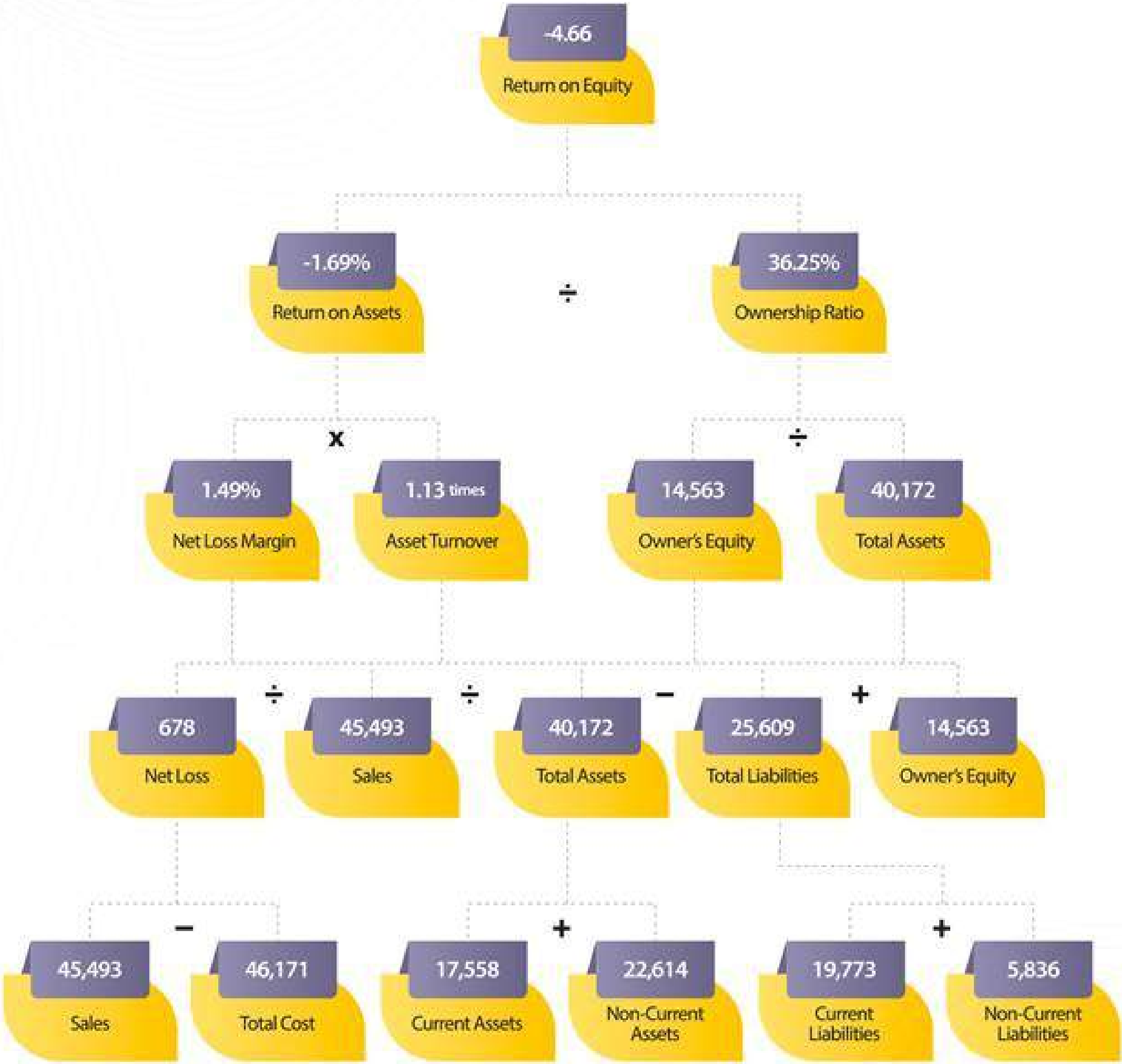
Net Profit:

Followed by varying trend in gross and operating profits, the movement in net profit can be attributed accordingly in addition to changes in finance cost and tax expense.

In the initial quarter, the Company reported net profit of Rs. 204 million or net margin of 2.08% which was much lower than the operating profit of 11.63% in the same quarter due to an increase in finance cost. However, the second quarter witnessed a sharp decline in operating profit discussed above and coupled with continued increase in finance costs on account of rising interest rates, the Company recorded a net loss of Rs. 388 million, with a net loss margin of 2.94%.

The third quarter marked a significant improvement, with a substantial increase in operating profit, supported by higher gross profit and gross margin. Consequently, the net profit surged to Rs. 475 million, with a net profit margin of 4.0%. Unfortunately, the fourth and final quarter saw a decrease in profitability, with a 5% decline in gross margin compared to the previous quarter, as discussed earlier in this analysis. This decline was also reflected in operational performance and the significant increase in finance costs and tax expense primarily due increase in super tax rate and its impact on deferred tax has resulted in a substantial loss of Rs. 969 million for the quarter, with a net loss margin of 8.9%.

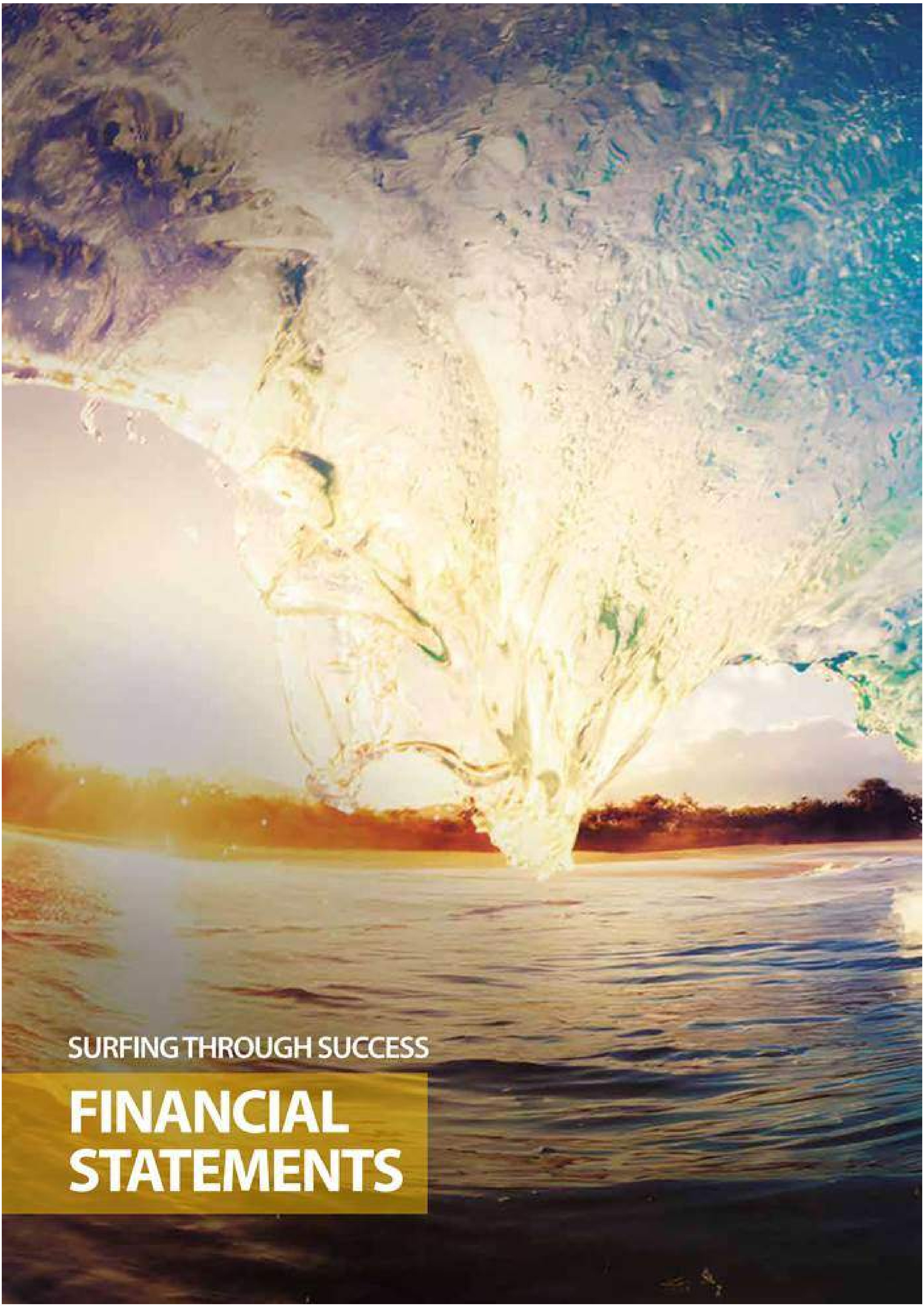
DUPONT ANALYSIS



*All figures are in PKR million, otherwise indicated.

CASH FLOW STATEMENT – DIRECT METHOD

	2023	2022
	Rs. '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from the customers	45,886,624	58,919,586
Cash paid to suppliers and employees	(34,322,163)	(58,396,687)
Cash generated from operations	11,564,461	522,899
Income taxes paid	(821,178)	(631,537)
Gratuity paid	(32,833)	(27,871)
Finance costs paid	(3,680,499)	(2,002,115)
Long-term deposits – net	10,276	(51,644)
Net cash generated from / (used in) operating activities	7,040,227	(2,190,268)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,597,660)	(2,158,142)
Addition to intangible assets	(2,347)	(891)
Proceeds from disposal of operating assets	10,780	21,112
Net cash used in investing activities	(1,589,227)	(2,137,921)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings – net	(4,887,751)	4,127,741
Disbursement of long-term financing	799,337	1,567,526
Repayment of long-term financing	(1,325,244)	(1,152,358)
Long term investment	-	1,000
Lease rentals paid	(52,730)	(30,271)
Loan from related parties	(25,000)	-
Dividend paid	(154)	(108)
Net cash (used in) / generated from financing activities	(5,491,542)	4,513,530
Net (decrease) / increase in cash and cash equivalents	(40,542)	185,341
Cash and cash equivalents at the beginning of the year	(1,660,342)	(1,845,683)
Cash and cash equivalents at the end of year	(1,700,884)	(1,660,342)
Cash and cash equivalent comprise the following:		
Cash and bank balances	271,913	356,869
Running finance	(1,972,797)	(2,017,211)
Cash and cash equivalents at the end of year	(1,700,884)	(1,660,342)



SURFING THROUGH SUCCESS

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the members of Amreli Steels Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report.* We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Building a better working world

Following are the Key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of stock-in-trade	
As of the date of statement of financial position, the Company held stock-in-trade balance of Rs. 7,097.218 million which constitutes 18% of total assets of the Company. This comprise of Raw scrap, billets and rebars. As described in note 5.5 to the financial statements, stock-in-trade is measured at lower of cost and net realizable value. The cost of work-in-process and finished goods is determined at average manufacturing cost including proportion of production overheads. There is an element of judgement involved in determining an appropriate costing basis and assessing its valuation. Given the significance of stock-in-trade to the Company's total assets and the level of judgements and estimates involved, we have identified valuation of stock-in-trade as a key audit matter.	Our audit procedures, amongst others, included obtaining an understanding of controls over purchases and valuation of stock-in-trade and tested, on a sample basis, their design, implementation and operating effectiveness. We performed observation of inventory counts for billets and rebars and involved an external expert to perform physical inspection of raw scrap held at Companies' premises. We performed tests over the prices of raw materials and work in progress and verified items in the product costing of work in progress. We assessed net realizable value (NRV) by comparing management's estimation of future selling prices for the products with the selling prices achieved subsequent to the reporting period. We assessed the adequacy of the obsolescence provision and the management judgement used. We assessed the adequacy of the Company's disclosures in accordance with the applicable financial reporting standards.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Building a better working world

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) 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 Omer Chughtai.

Chartered Accountants
Place: Karachi
Date: 02 October 2023
UDIN: AR202310120WjTPVqtHQ

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

ASSETS	Note	2023	2022
		-------- (Rupees in '000) --------	
NON-CURRENT ASSETS			
Property, plant and equipment	7	22,263,497	21,578,251
Right-of-use-assets	8	135,731	76,410
Intangible assets	9	6,600	11,872
Long-term investments	10	14,289	14,289
Long-term deposits and loans	11	193,717	203,993
		22,613,834	21,884,815
CURRENT ASSETS			
Stores and spares		2,604,137	2,756,628
Stock-in-trade	12	7,097,218	11,017,657
Trade debts	13	4,973,402	5,478,005
Loans and advances	14	45,494	53,447
Trade deposits and short-term prepayments	15	20,767	31,260
Other receivables	16	211,236	266
Taxation – net		2,333,729	1,769,109
Cash and bank balances	17	271,913	356,869
		17,557,896	21,463,241
TOTAL ASSETS		40,171,730	43,348,056
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	18	2,970,114	2,970,114
Capital reserve		2,788,742	2,788,742
Revenue reserves – accumulated profit		5,250,225	5,865,798
Actuarial loss on gratuity fund		(89,629)	(75,607)
Revaluation surplus on property, plant and equipment	19	3,642,789	3,705,659
		14,562,241	15,254,706
NON-CURRENT LIABILITIES			
Long-term financing	20	3,704,899	4,820,914
Long term provision	21	146,863	154,463
Loan from related parties	22	-	341,333
Deferred taxation	23	1,028,172	641,128
Deferred liability - defined benefit obligation	24	452,985	369,916
Lease liabilities	25	121,797	72,416
Government grant	26	381,564	170,641
		5,836,280	6,570,811
CURRENT LIABILITIES			
Trade and other payables	27	4,979,403	6,238,326
Contract liabilities		479,226	773,573
Interest / markup accrued	28	800,284	521,139
Short-term borrowings	29	11,331,137	12,573,272
Current portion of long-term financing	20	1,799,680	1,353,625
Current portion of lease liabilities	25	34,529	14,351
Current portion of government grant	26	27,161	42,643
Current portion of loan from related parties	22	316,333	-
Unclaimed dividend		5,456	5,610
		19,773,209	21,522,539
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		40,171,730	43,348,056

The annexed notes 1 to 50 form an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		-------- (Rupees in '000) --------	
Sales	31	45,492,724	58,184,282
Cost of sales	32	(39,530,560)	(51,692,795)
Gross profit		5,962,164	6,491,487
Distribution costs	33	(1,008,778)	(1,203,640)
Administrative expenses	34	(751,114)	(735,971)
Allowance for expected credit losses	13.1	(119,602)	(5,177)
Other expenses	35	(84,097)	(186,445)
Other income	36	8,312	24,507
Operating profit		4,006,885	4,384,761
Finance costs	37	(4,032,761)	(2,306,697)
(Loss) / profit before taxation		(25,876)	2,078,064
Taxation	38	(652,567)	(752,549)
(Loss) / profit after taxation		(678,443)	1,325,515
		-------- (Rupees) --------	
(Loss) / Earnings per share - basic and diluted	39	(2.28)	4.46

The annexed notes 1 to 50 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	-------- (Rupees in '000) --------	
(Loss) / profit for the year	(678,443)	1,325,515
Other comprehensive income		
Items that will not be subsequently reclassified to statement of profit or loss:		
Actuarial loss on gratuity fund – net of tax	(14,022)	(11,439)
Total comprehensive (loss) / income for the year	(692,465)	1,314,076

The annexed notes 1 to 50 form an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Issued, subscribed and paid-up capital	Capital Reserve	Revenue Reserve	Actuarial loss on gratuity fund	Revaluation surplus on property, plant and equipment	Total
		Share premium	Accumulated profit			
	(Rupees in '000)					
Balance as at 1 July 2021	2,970,114	2,788,742	4,471,374	(64,168)	3,774,568	13,940,630
Profit for the year	-	-	1,325,515	-	-	1,325,515
Other comprehensive loss for the year	-	-		(11,439)	-	(11,439)
Total comprehensive income / (loss) for the year	-	-	1,325,515	(11,439)	-	1,314,076
Incremental depreciation relating to revaluation surplus on property, plant and equipment – net of tax	-	-	68,909	-	(68,909)	-
Balance as at 1 July 2022	2,970,114	2,788,742	5,865,798	(75,607)	3,705,659	15,254,706
Loss for the year	-	-	(678,443)	-	-	(678,443)
Other comprehensive loss for the year	-	-	-	(14,022)	-	(14,022)
Total comprehensive loss for the year	-	-	(678,443)	(14,022)	-	(692,465)
Incremental depreciation relating to revaluation surplus on property, plant and equipment – net of tax	-	-	62,870	-	(62,870)	-
	2,970,114	2,788,742	5,250,225	(89,629)	3,642,789	14,562,241

The annexed notes 1 to 50 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		-------- (Rupees in '000) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	11,564,461	522,899
Income taxes paid		(821,178)	(631,537)
Gratuity paid		(32,833)	(27,871)
Finance costs paid		(3,680,499)	(2,002,115)
Long-term deposits and loans – net		10,276	(51,644)
Net cash generated / (used in) from operating activities		7,040,227	(2,190,268)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,597,660)	(2,158,142)
Additions to intangible assets		(2,347)	(891)
Proceeds from disposal of operating fixed assets		10,780	21,112
Net cash used in investing activities		(1,589,227)	(2,137,921)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(154)	(108)
Short-term borrowings – net		(4,887,751)	4,127,741
Disbursement of long-term financing		799,337	1,567,526
Repayment of long-term financing		(1,325,244)	(1,152,358)
Long-term investment		-	1,000
Loan from related parties		(25,000)	-
Lease rentals paid		(52,730)	(30,271)
Net cash (used in) / generated from financing activities		(5,491,542)	4,513,530
Net (decrease) / increase in cash and cash equivalents		(40,542)	185,341
Cash and cash equivalents at the beginning of the year		(1,660,342)	(1,845,683)
Cash and cash equivalents at the end of the year	42	(1,700,884)	(1,660,342)

Chief Executive

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. THE COMPANY AND ITS OPERATIONS

1.1 Amreli Steels Limited (the Company) was incorporated in 1984 as a private limited company and converted into a public unquoted company in 2009 under the repealed Companies Ordinance, 1984 (the Ordinance). The Company enlisted on Pakistan Stock Exchange in 2015. The Company is engaged in manufacture and sale of steel bars and billets. The geographical location and addresses of the Company's business units / immovable assets are as under:

Business Units	Addresses
Registered office and warehouse	Plot No. A-18, S.I.T.E Karachi (Land measuring area 2.490 Acres)
	Plot No. D-89 Shershah Karachi (Land measuring area 2.220 Acres)
Production plant	Plot No. D-90/B Shershah Karachi (Land measuring area 1.05 Acres)
Production plant and warehouse	Industrial Land, Deh Gharo, Tapo Gharo, Taluka Mirpur Sakro, District Thatta, Sindh (Land measuring area 109.5 Acres)
Warehouses	Noor Road Badami Bagh Lahore (Land measuring 0.79 Acres)
	Plot # 392 sector I-9/3 industrial area Islamabad (Land measuring (0.50 Acres)
Office Premises	14th floor, West Wing, Sky Tower, Clifton, Karachi (20,000 sq.ft)

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 Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

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

3. BASIS OF PREPARATION

3.1 These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

3.2 These financial statements are prepared in Pak Rupees, which is the Company's functional and presentation currency.

3.3 The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The adoption of the above amendments to the accounting standards did not have any material effect on the Company's financial statements.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
IAS 41	Agriculture – Taxation in fair value measurements
IFRS 16	Leases: Lease incentives

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

4.1 Standards, amendments and improvements to IFRSs that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendments or Improvements		Effective dates (annual periods beginning on or after)
IFRS 17	Insurance Contracts (Amendments)	1-Jan-2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	1-Jan-2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	1-Jan-2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1-Jan-2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	1-Jan-2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

The above standards, amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation		IASB effective dates (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17	Insurance Contracts	1-Jan-2023

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are initially stated at cost. Subsequently, these are stated at cost less accumulated depreciation and accumulated impairment loss, if any, except for leasehold land, building on leasehold land and plant and machinery which are stated at revalued amounts less impairment, if any. Depreciation is charged to statement of profit or loss applying the reducing balance method except for plant and machinery, computers and vehicles which are depreciated on straight line basis and / or unit of production method at the rates disclosed in note 7 to the financial statements. Depreciation is charged from the month in which an asset is available for use, while no depreciation is charged for the month in which asset is disposed.

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of an asset is recognized in the statement of profit or loss in the period of disposal.

The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

The carrying values of property, plant and equipment are reviewed at each statement of financial position date for impairment when events or changes in circumstances indicate that carrying values may not be recoverable. If such indication exists where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets.

Capital work in progress

These are stated at cost less impairment, and represent expenditures incurred and advances made in respect of specific assets during the construction / erection year. These are transferred to specific assets as and when assets are available for use.

5.2 Right-of-use assets

The Company recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

5.3 Intangibles

These are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization is charged to statement of profit or loss on straight line basis over its economic useful life at the rate given in note 9 to these financial statements. Amortization on additions is charged from the month in which an intangible asset is available for use while no amortization is charged for the month in which an intangible asset is disposed.

The gain or loss on disposal or retirement of an intangible asset represented by the difference between the sale proceeds and the carrying amount is recognized in the statement of profit or loss in the period of disposal.

An intangible asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

5.4 Stores and spares

These are valued at lower of cost, determined using moving average method and Net Realisable Value (NRV), less provision for obsolete items (if any). Items in transit are valued at cost comprising invoice value plus other charges incurred thereon upto the reporting date. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.

5.5 Stock-in-trade

These are valued at the lower of cost and NRV.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials	-	Weighted average cost
Work-in-process	-	Weighted average cost
Finished goods - Manufactured	-	Weighted average cost
Finished goods - Trading	-	Weighted average cost
Stock-in-transit	-	Invoice value plus other charges paid thereon up to the reporting date

NRV signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessarily to be incurred to make the sale.

5.6 Deposits, advances, prepayments and other receivables excluding financial assets

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

5.7 Investments at amortised cost

These are investments which meet the following criteria:

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

These are initially recognized at fair value which is equal to amount of consideration paid at the time of acquisition and subsequently carried at amortised cost.

5.8 Cash and cash equivalents

These are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short term running finance.

5.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

5.9.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

5.9.2 Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short term leases (i.e., leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases are recognised as expense on a straight line basis over the lease term.

5.9.3 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable (if any), variable lease payments that depend on an index or a rate (if any), and amounts expected to be paid under residual value guarantees (if any). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company (if any) and payments of penalties for terminating the lease (if any), if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

5.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of princial and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in statement of profit or loss and other comprehensive income.

This category also includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

The Company has not designated any financial asset at FVPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost
After initial recognition, borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in statement of profit or loss and other comprehensive income.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

5.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.12 Impairment

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

Impairment of non-financial assets
The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in statement of profit or loss and other comprehensive income.

5.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

The amount recognized as provision is the best estimate of consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation.

5.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.15 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pakistan Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange which approximate those prevailing at the statement of financial position date. Exchange differences are recognized in the statement of profit or loss.

5.16 Unclaimed dividend

Dividend declared and remain unclaimed from the date it is due and payable.

5.17 Staff retirement benefits - Gratuity

The Company operates an un-approved and unfunded defined benefit plan for all permanent employees who have completed the minimum qualifying year of service for entitlement of gratuity. Gratuity is based on employees' last drawn salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method.

Actuarial gain or loss (remeasurements) are immediately recognised in 'Other Comprehensive Income' as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to profit or loss.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

5.18 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to statement of profit or loss on straight line basis over the lease term.

5.19 Taxation

Current
Provision for current tax is based in accordance with Income Tax Ordinance, 2001.

Deferred
Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As the provision for taxation has been made partially under the normal basis and partially under the final tax regime, therefore, the deferred tax liability has been recognized on a proportionate basis in accordance with TR 27 issued by the Institute of Chartered Accountants of Pakistan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of profit or loss and other comprehensive income.

5.20 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when performance obligation is fulfilled, at a point in time, when control of goods have been transferred to a customer. Generally, the normal credit term is 30 to 60 days upon delivery.

5.21 Other income

Return on short-term deposits and investments at amortised cost are accounted for using the effective interest rate method.

Scrap sales are recognized on receipt basis.

5.22 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the financial statements.

5.23 Contingent liabilities

Contingent liability is disclosed when: -

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

5.24 Operating segments

For management purposes, the activities of the Company are organized into one reportable operating segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

5.25 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

5.26 Share capital & Reserves

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Reserves comprise of capital and revenue reserves. Capital reserves represent share premium while revenue reserves comprise of unappropriated profit.

5.27 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.28 Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

5.29 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Residual value and useful life of property, plant and equipment

The Company reviews the appropriateness of the rate of depreciation, depreciation method, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on the depreciation charge and impairment.

Surplus on revaluation of property, plant and equipment

The Company reviews the appropriateness of the revaluation of certain assets periodically for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Company uses the technical resources available with the Company. Any change in assessment in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on revaluation surplus of property, plant and equipment.

Impairment financial assets

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Company's various customer that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's financial assets exposed to credit risk is disclosed in note 43.2 to these financial statements.

Determination of the lease term for lease contracts with extension and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Defined Benefit Plan

Certain actuarial assumptions have been adopted as disclosed in note 24 to the financial statements for the valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due taking into account decisions/judgement of appellete authorities on similar tax issues in the past. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made. The recognition of deferred tax is also made taking into these judgements and the best estimate of future results of the Company.

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		---- (Rupees in '000') ----	
Operating fixed assets	7.1	**20,632,188**	19,791,171
Capital work-in progress	7.2	**1,631,309**	1,787,080
		22,263,497	21,578,251

7.1 Operating fixed assets

2023	Note	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture and fittings	Office Equipment	Vehicles*	Computers	Total
		(Rupees in '000)							
		7.1.2 & 7.1.7	7.2.1	7.2.1					
Cost / revaluation as at 30 June 2022		2,936,680	2,532,764	18,469,927	55,727	118,857	198,541	135,052	24,447,548
Additions		-	-	1,841	1,198	7,503	79,890	19,448	109,880
Disposals		-	-	(24,743)	(38)	(1,996)	(13,795)	(3,683)	(44,255)
Transfers from capital work-in-progress		-	966,130	642,138	28,061	25,715	-	1,696	1,663,740
Cost / revaluation as at 30 June 2023		2,936,680	3,498,894	19,089,163	84,948	150,079	264,636	152,513	26,176,913
Accumulated depreciation as at 30 June 2022		-	993,307	3,480,051	23,926	39,815	47,019	72,259	4,656,377
Depreciation charge for the year		-	42,585	806,962	3,621	8,780	43,068	15,730	920,746
Disposals				(17,733)	(8)	(1,187)	(10,359)	(3,111)	(32,398)
Accumulated depreciation as at 30 June 2023		-	1,035,892	4,269,280	27,539	47,408	79,728	84,878	5,544,725
Book value as at 30 June 2023		2,936,680	2,463,002	14,819,883	57,409	102,671	184,908	67,635	20,632,188
Annual rate of depreciation (%)		-	2.5	2.5 to 50 & units of production	10	10	20	10 to 26.67	

* Include assets costing Rs. 189.767 million under common ownership under diminishing musharaka arrangement.

2022	Note	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture and fittings	Office Equipment	Vehicles*	Computers	Total
		(Rupees in '000)							
		7.1.2 & 7.1.7	7.2.1	7.2.1					
Cost / revaluation as at 30 June 2021		2,936,680	2,449,293	17,056,297	47,090	94,177	61,254	82,358	22,727,149
Additions		-	-	55,570	1,570	6,311	139,429	13,211	216,091
Disposals		-	-	(110,808)	-	(1,628)	(2,142)	(3,302)	(117,880)
Transfers from capital work-in-progress		-	83,471	1,468,868	7,067	19,997	-	42,785	1,622,188
Cost / revaluation as at 30 June 2022		2,936,680	2,532,764	18,469,927	55,727	118,857	198,541	135,052	24,447,548
Accumulated depreciation as at 30 June 2021		-	954,518	2,949,403	20,807	33,390	29,091	60,890	4,048,099
Depreciation charge for the year		-	38,789	625,844	3,119	7,241	17,975	14,279	707,247
Disposals		-	-	(95,196)	-	(816)	(47)	(2,910)	(98,969)
Accumulated depreciation as at 30 June 2022		-	993,307	3,480,051	23,926	39,815	47,019	72,259	4,656,377
Book value as at 30 June 2022		2,936,680	1,539,457	14,989,876	31,801	79,042	151,522	62,793	19,791,171
Annual rate of depreciation (%)		-	2.5	2.5 to 50 & units of production	10	10	20	10 to 26.67	

* Include assets costing Rs. 159.5 million under common ownership under diminishing musharaka arrangement.

7.1.1 Operating fixed assets include items having an aggregate cost of Rs. 163.98 million (2022: Rs. 140.86 million) which have been fully depreciated and are still in use of the Company.

7.1.2 Company's leasehold land, building on leasehold land and plant and machinery were revalued by an independent valuer - M/s MYK Associates (Private) Limited on 30 June, 2021 on the basis of present market values for similar sized plots in the vicinity for land and replacement values of similar type of buildings based on present cost of construction (level 2) (refer note 43.6) and valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence.

7.1.3 Had there been no revaluation, the book value of leasehold land, buildings on leasehold land and plant and machinery would have been Rs. 1,012.127 (2022: Rs. 1,012.127) million, Rs. 1,936.534 (2022: Rs. 999.490) million and Rs. 12,732.102 (2022: Rs 12,812.527) million, respectively.

7.1.4 Forced sale value as per the latest revaluation report as of 30 June, 2021 of land, buildings and plant and machinery is Rs. 2,361.3 million, Rs 1,223.9 million and Rs.10,554.6 million, respectively.

7.1.5

Description	Cost / Revaluation	Book value	Sale proceeds	Gain/ loss	Mode of disposal	Particulars of buyers	Relationship
	(Rupees in '000')						
Mill Capital Spares	9,353	6,430	73	6,357	Negotiation	Majaheer	Vendor
Other assets having book value less than Rs. 500,000	34,902	5,427	10,707	(5,280)			
2023	**44,255**	**11,857**	**10,780**	**1,077**			
2022	117,880	18,911	21,112	(2,201)			

7.1.6 **Depreciation charge for the year has been allocated as under:**

	Note	2023	2022
		(Rupees in '000')	
Cost of sales – production of bars	32.1	491,964	377,476
Cost of sales – production of billets	32.1.1	346,465	282,997
Distribution costs	33	50,569	22,867
Administrative expenses	34	31,748	23,907
		920,746	707,247

7.1.7 Includes land purchased from a related party with the title in process of being transferred in the name of the Company.

7.2 Capital work-in-progress

	2023				2022
	Leasehold land	Civil works	Plant and machinery (Note 7.2.1)	Total	Total
	(Rupees in '000')				
Opening balance	75,000	1,043,538	668,542	1,787,080	1,467,217
Additions during the year	45,000	193,499	1,269,470	1,507,969	1,942,051
Transfer to operating fixed assets	-	(966,130)	(697,610)	(1,663,740)	(1,622,188)
Closing balance	120,000	270,907	1,240,402	1,631,309	1,787,080

7.2.1 During the year borrowing costs have been capitalized amounting to Rs. 20.189 million (2022: Rs. 13.755 million) by using capitalization rate of 3.25% (2022: 2.7%).

8. RIGHT-OF-USE-ASSETS

	Note	2023	2022
		---- (Rupees in '000') ----	
As at July 01			
Cost		133,104	133,153
Accumulated depreciation		(56,694)	(32,819)
Net book value		76,410	100,334
Year ended June 30			
Opening net book value		76,410	100,334
Additions		102,284	-
Lease modification during the year		-	(49)
Depreciation charge for the year	8.1	(42,963)	(23,875)
Closing net book value		135,731	76,410
As at June 30			
Cost		235,388	133,104
Accumulated depreciation		(99,657)	(56,694)
Net book value		135,731	76,410

8.1 Depreciation charge for the year on right-of-use-assets has been allocated as follows:

	Note	2023	2022
		---- (Rupees in '000') ----	
Distribution costs	33	17,618	17,390
Administrative expenses	34	25,345	6,485
		42,963	23,875

8.2 The right-of-use-assets comprise of office premises acquired on lease by the Company for its operations.

9. INTANGIBLE ASSETS

	2023	2022
Computer software	---- (Rupees in '000') ----	
Net carrying value		
Balance at the beginning of the year	11,872	18,624
Additions during the year	2,347	891
Amortisation for the year	(7,619)	(7,643)
Balance at the end of the year	6,600	11,872
Gross carrying value		
Cost	72,356	71,465
Additions during the year	2,347	891
Accumulated amortization	(68,103)	(60,484)
Balance at the end of the year	6,600	11,872
	Years	
Useful life	3 to 5	3 to 5

9.1 Intangible assets include items having an aggregate cost of Rs. 48.015 million (2022: Rs. 34.333 million) which have been fully amortized and are still in use of the Company

10. LONG-TERM INVESTMENTS - amortized cost

Represents term deposits receipts held with Islamic bank as a lien for guarantee issued on behalf of the Company and carries profit at the rate of 10.9% (2022: 8.4%) per annum having maturity in June 2024. These will be rolled over at the end of their maturity.

11. LONG-TERM DEPOSITS AND LOANS-interest Free

	Note	2023	2022
		---- (Rupees in '000') ----	
DEPOSITS			
Margin against guarantees		38,280	38,280
Utilities		77,305	77,305
Ijarah / Diminishing Musharaka		34,546	38,511
Container deposits		6,000	6,000
Rent		17,870	14,171
		174,001	174,267

	Note	2023	2022
		---- (Rupees in '000') ----	
LOANS - unsecured			
Due from:			
- Executives	11.1	34,770	45,898
- Employees		18,931	13,314
	11.2	53,701	59,212
Less: Receivable within one year			
- Executives		10,193	17,887
- Employees		23,792	11,599
		33,985	29,486
		19,716	29,726
		193,717	203,993

11.1 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 44.216 million (2022: Rs.45.898 million). The reconciliation of the carrying amount of loans to executives is as follows:

	2023	2022
	---- (Rupees in '000') ----	
Balance at beginning of the year	45,898	9,261
Disbursements	12,379	55,806
Repayments	(23,507)	(19,169)
Balance at end of the year	34,770	45,898

11.2 Represents interest free loans to employees in accordance with the Company policy. These are recoverable in twelve to fifty two equal monthly installments.

12 STOCK-IN-TRADE

	2023	2022
	---- (Rupees in '000') ----	
Raw materials		
- In hand	1,911,763	5,085,067
- In transit	1,485,233	768,436
	3,396,996	5,853,503
Work-in-process	967,718	1,245,729
Finished goods		
- Manufactured	2,727,425	3,918,425
- Trading	5,079	-
	2,732,504	3,918,425
	7,097,218	11,017,657

13. TRADE DEBTS - unsecured

	Note	2023	2022
		---- (Rupees in '000') ----	
Considered good		4,973,402	5,478,005
Considered doubtful		297,714	187,011
	13.3	5,271,116	5,665,016
Allowance for expected credit loss	13.1	(297,714)	(187,011)
		4,973,402	5,478,005

13.1 Movement of allowance for expected credit loss

	2023	2022
Opening balance	187,011	282,395
Charge / (reversal) during the year	119,602	5,177
Write-off during the year	(8,899)	(100,561)
Closing balance	297,714	187,011

13.2 The ageing of trade debts is as follows:

	Total	Current	Days past due		
			1-90 Days*	91-180 Days*	Over 180 Days
	---------- (Rupees in '000') ----------				
2023					
Expected credit loss rate	5.65%	0.12%	1.12%	7.16%	56.88%
Estimated total gross carrying amount at default	5,271,116	3,379,014	1,222,372	202,865	466,865
Expected credit loss	297,714	3,978	13,645	14,525	265,566
2022					
Expected credit loss rate	3.30%	0.09%	0.81%	11.26%	68.13%
Estimated total gross carrying amount at default	5,665,016	4,420,844	926,139	72,304	245,729
Expected credit loss	187,011	3,951	7,510	8,144	167,406

*includes amount receivable from related party

13.3 Includes amount receivable from related parties as follows:

	2023	2022
	---- (Rupees in '000') ----	
Hadi Akber Ali	824	3,331
Abbas Akber Ali	4,093	-
	4,917	3,331

13.4 The maximum amount due from related party at the end of any month during the year was Rs. 11.153 million (2022: Rs. 3.9 million). The Company has recognized an allowance for expected credit loss amounting to Rs. 0.0145 million (2022: Rs. 0.038 million) as of 30 June 2023.

14. LOANS AND ADVANCES - unsecured

	Note	2023	2022
		---- (Rupees in '000') ----	
Current portion of long term loans	11	33,985	29,486
Advances - interest free			
Considered good			
Suppliers		10,805	23,666
Employees		704	295
		11,509	23,961
Considered doubtful		1,376	1,376
Less: allowance for expected credit losses		(1,376)	(1,376)
		-	-
		11,509	23,961
		45,494	53,447

15. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	2023	2022
	---- (Rupees in '000') ----	
Trade deposits - interest free, considered good		
Considered good		
Container deposits	3,400	10,165
Short term prepayments		
- Insurance	6,524	5,395
- Software maintenance	9,247	10,997
- Subscription fee	-	3,750
- Others	1,596	953
	17,367	21,095
	20,767	31,260

16. CASH AND BANK BALANCES

	Note	2023	2022
		---- (Rupees in '000') ----	
Sales tax refundable		210,435	-
Accrued profit on term deposits receipts and savings account		801	266
		211,236	266

17. CASH AND BANK BALANCES

	Note	2023	2022
Cash in hand		9,307	46,299
Bank balances			
Current accounts		261,278	308,164
Saving accounts	17.1	1,328	2,406
		262,606	310,570
		271,913	356,869

17.1 These carry profit at rates ranging from 6.75% to 20.5% (2022: 5.50% to 5.67%) per annum.

18. SHARE CAPITAL

18.1 Authorized capital

Number of shares 2023	Number of shares 2022		Note	2023	2022
				---- (Rupees in '000') ----	
420,000,000	420,000,000	Ordinary shares of Rs. 10/- each		4,200,000	4,200,000
80,000,000	80,000,000	Cumulative preference shares of Rs. 10/-each		800,000	800,000
500,000,000	500,000,000			5,000,000	5,000,000

18.2 Issued, subscribed and paid-up capital

			Note		
		Ordinary shares of Rs. 10/- each			
263,883,930	263,883,930	Issued for cash		2,638,839	2,638,839
33,127,497	33,127,497	Issued for consideration other than cash	18.4	331,275	331,275
297,011,427	297,011,427			2,970,114	2,970,114

18.3 Following is the detail of shares held by the related parties:

	2023	2022
	---- (Rupees in '000') ----	
Mr. Abbas Akberali	91,294,723	91,294,723
Ms. Mahvash Akberali	55,732,930	55,732,930
Mr. Hadi Abbas Akberali	37,732,212	37,732,212
Mr. Shayan Akberali	35,694,840	35,694,840
Ms. Kinza Shayan	1,746,383	1,746,383
Ms. Salsabil Akberali	1,254,759	1,254,759
Mr. Badar Kazmi	1,000	1,000
Ms. Mariam Akberali	1,000	1,000
Mr. Teizoon Kisat	500	500
Mr. Zafar Ahmed Taji	12,000	12,000
	223,470,347	223,470,347

18.4 Includes 952,497 ordinary shares issued to various shareholders of the Company against plant and machinery and 32,175,000 ordinary shares of the Company against purchase of other fixed assets.

18.5 Voting rights, Board selection, right of first refusal and block voting are in proportion to the shareholding.

19. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	---- (Rupees in '000') ----	
Opening balance	4,641,868	4,744,717
Transfer to unappropriated profit in respect of incremental depreciation charged during the year	(103,066)	(102,849)
	4,538,802	4,641,868
Related deferred tax liability		
Opening balance	(936,209)	(970,149)
Incremental depreciation charged during the year	40,196	33,940
	(896,013)	(936,209)
	3,642,789	3,705,659

19.1 Breakup of revaluation surplus net of deferred tax is as follows:

	2023	2022
Leasehold land	1,924,553	1,924,553
Buildings on leasehold land	340,984	349,219
Plant and machinery	1,377,252	1,431,887
	3,642,789	3,705,659

20. LONG-TERM FINANCING - secured

	Note	2023	2022
		---- (Rupees in '000') ----	
Term Finance Facility	20.1	3,668,355	4,460,373
Islamic Temporary Economic Refinance Facility (ITERF)	20.2	852,307	698,807
SBP Financing for Renewable Energy	20.3	419,713	581,100
Temporary Economic Refinance Facility (TERF)	20.4	49,156	-
Refinance Scheme for Payment of Wages and Salaries	20.5	-	112,825
Diminishing Musharaka	20.6	515,048	321,434
Current Portion		(1,799,680)	(1,353,625)
		3,704,899	4,820,914

20.1 Represents term finance facilities obtained from commercial banks and development finance institution (DFI) to refinance capital expenditure incurred by the company. These carry markup rate ranging from 6 month KIBOR plus 0.40% to 3 month KIBOR plus 1.50% (2022:6 months KIBOR plus 0.4% to 3 months KIBOR plus 1.5%). These facilities are secured initially against a ranking charge of 426.66 million on all present and future fixed assets of the company with 25% margin convertible to first pari passu charge on all present and future fixed assets of the company with 25% margin and an equitable mortgage over all immovable fixed assets of the company (including land & building) with 25% margin. As of June 30, 2023, unutilized portion of the facilities is Rs. 563.5 million (2022: Rs. Nil).

20.2 Represents financing facility obtained from an Islamic Bank for import of machinery under Islamic TERF Scheme by SBP repayable in ten years through 32 equal quarterly installments latest by April 2031 and has been recognised at present value discounted at the effective rate of interest. This carries mark-up at the SBP rate plus 2.25% (2022: 2.25%) per annum. The differential mark-up has been recognised as government grant (as mentioned in note 26) which will be amortised over the useful life of the assets. This facility is secured against specific charge on plant and machinery of the Company. As of June 30, 2023, unutilized portion of the facility is Rs. Nil (2022: Rs. 100 million).

20.3 Represents financing facility obtained from an Islamic Bank to setup a 7 MW Solar Power Project under SBP Financing Facility for Renewable Energy repayable in ten years through 36 equal quarterly installments latest by December 2029 and has been recognised at present value discounted at the effective rate of interest. This carries mark-up at the SBP rate plus 0.95% per annum. The differential mark-up has been recognised as government grant (as mentioned in note 26) which will be amortised over the useful life of the assets. The facility is secured by way of first pari passu charge over fixed assets of the Company with 25% margin over the facility amount. As of June 30, 2023, unutilized portion of the facility is Rs. 15.88 million.

20.4 Represents financing facility obtained from development finance institution (DFI) for import of machinery under TERF Scheme by SBP repayable in eight years through 24 equal quarterly installments latest by December 2030 and has been recognised at present value discounted at the effective rate of interest. This carries mark-up at the SBP rate plus 2.25% per annum. The differential mark-up has been recognised as government grant (as mentioned in note 26) which will be amortised over the useful life of the assets. The facility is secured by way of first pari passu charge over fixed assets of the Company with 25% margin over the facility amount. As of June 30, 2023, unutilized portion of the facility is Nil.

20.5 Represents financing facility obtained from a conventional bank under the Refinance Scheme for Payment of Wages and Salaries by State Bank of Pakistan carrying mark-up at the rates ranging from 1.5% to 2.5% repayable in 8 equal quarterly installments latest by January 2023 and has been recognised at present value discounted at the effective rate of interest. The differential mark-up has been recognised as government grant (as mentioned in note 26) which will be amortised over the useful life of the assets. The facility is secured by way of first pari passu charge over fixed assets of the Company with 25% margin over the facility amount.

20.6 Represents Diminishing Musharaka facilities obtained from Islamic financial institutions. These facilities are repayable in equal monthly and quarterly installments latest by May 2027 and June 2027 respectively. These carry markup rate ranging from 6 months KIBOR plus 0.75% to 6 months KIBOR plus 1.65% per annum (2022: 6 months KIBOR plus 0.75% to 6 months KIBOR plus 1.6% per annum). These facilities are secured by title over Diminishing Musharaka assets and current and future fixed asset of the Company. As of June 30, 2023, unutilized portion of the facilities is Rs. 83.952 million (2022: Rs. 277.565 million).

21. LONG-TERM PROVISION

Represents non-current portion of provision for Gas Infrastructure Development Cess (GIDC). During the year ended 2021, the Honorable Supreme Court of Pakistan (SCP) has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional and intravires allowing settlement of GIDC over a period of forty-eight monthly installments. However, the Company has filed an appeal before the Honorable High Court of Sindh (the Court) on the grounds that no burden of GIDC had been passed to its customers and thus, the Company is not liable to pay GIDC under GIDC Act 2015. The Court vide its order dated September 22, 2020 has granted stay to the Company.

The Company without prejudice to the suit filed, has made a provision amounting to Rs. 212.731 million under the relevant accounting standards and ICAP guidelines in this regard.

22. LOAN FROM RELATED PARTIES – unsecured

Represents loans obtained from related parties amounting to Rs. 316.33 million (2022: Rs. 341 million) at a rate of 3 month KIBOR repayable on September 30, 2023. The loan was obtained to meet the financial needs of the Company along with the purchase of immovable property.

23. DEFERRED TAXATION

	Note	2023	2022
		---- (Rupees in '000') ----	
Deductible temporary differences arising in respect of:			
Provisions		**(444,086)**	(330,640)
Unused tax credits	23.1	**(2,821,262)**	(2,525,467)
		(3,265,348)	(2,856,107)
Taxable temporary differences arising in respect of:			
Accelerated tax depreciation / amortization		**3,344,573**	2,535,812
Right-of-use-assets		**52,935**	25,215
Surplus on revaluation of property, plant and equipment		**896,012**	936,208
		4,293,520	3,497,235
		1,028,172	641,128

23.1 Deferred tax asset is recognised for tax losses, minimum tax, alternative corporate tax, and depreciation available for carry forward to the extent of the realization of the related tax benefit through future taxable profits, based on the projections, is probable. As of the date of statement of financial position, deferred tax asset amounting to Rs. 356.455 (2022: Rs. 193.264) million in respect of minimum tax credits has not been recognised in these financial statements.

24. DEFERRED LIABILITY

	Note	2023	2022
		---- (Rupees in '000') ----	
Defined benefit obligation - gratuity scheme	24.1	452,985	369,916

24.1 Amount recognised in statement of financial position

	Note	2023	2022
Opening balance		369,916	309,193
Charge for the year	24.2	92,915	71,521
Recognised in other comprehensive income		22,987	17,073
Benefits paid		(32,833)	(27,871)
Closing balance		452,985	369,916

24.2 Movement in the present value of defined benefit obligation

	2023	2022
Current service cost	46,116	41,374
Interest cost	46,799	30,147
	92,915	71,521

24.3 Historical information for defined benefit plans

	2023	2022	2021	2020	2019
	(Rupees in '000')				
Present value of defined benefit obligations	452,985	369,916	309,193	254,748	205,420
Experience adjustment on plan liabilities	22,987	17,073	5,608	5,325	22,488

24.4 Principal actuarial assumptions

	2023	2022
Expected rate of increase in salary level	14.75%	12.25%
Valuation discount rate	15.75%	13.25%
Average expected remaining working life of employees	10 years	9.7 years
Normal retirement age of employees	60 years	60 years
Expected mortality rate	SLIC 2001- 2005 Setback 1 Year Age-Based (per appendix)	SLIC 2001- 2005 Setback 1 Year Age-Based (per appendix)

24.5 Risk on account of un approved gratuity scheme

Final salary risk
The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases proportionately with the increase in salary.

Discount rate fluctuation
The plan liabilities are calculated using a discount rate determined by reference to market yields (at the statement of financial position date) on government bond. Accordingly, there is a risk that any increase or decrease in government bond yields will decrease or increase plan liabilities.

Withdrawal risk
The risk that the actual withdrawal experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and entitled benefits of the beneficiary.

Mortality risk
The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

24.6 Charge for the year has been allocated as follows:

	Note	2023	2022
		---- (Rupees in '000') ----	
Cost of sales – production of bars	32.1.2	24,178	20,129
Cost of sales – production of billets	32.1.1.1	18,202	13,540
Distribution costs	33.1	17,244	11,685
Administrative expenses	34.1	33,291	26,167
		92,915	71,521

24.7 Sensitivity analysis

	2023			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	(Rupees in '000)			
Present value of defined benefit obligations	400,189	484,638	485,344	398,919

	2022			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	(Rupees in '000)			
Present value of defined benefit obligations	330,368	400,905	401,520	329,277

24.8 As of June 30, 2023, a total of 623 employees have been covered under the above scheme.

24.9 As per the recommendation of the actuary, the charge for the year ending June 30, 2024 amounts to Rs. 121.101 million.

25. LONG-TERM LEASE LIABILITIES

	2023	2022
	---- (Rupees in '000') ----	
Balance at beginning of the year	86,767	107,817
Additions during the year	102,284	-
Accretion of interest	20,005	9,270
Lease rental payments made during the year	(52,730)	(30,271)
Lease modification during the year	-	(49)
Balance at end of the year	156,326	86,767
Current portion of lease liabilities	(34,529)	(14,351)
Long-term lease liabilities	121,797	72,416

25.1 Maturity analysis

	2023	2022
Gross lease liabilities - minimum lease payments:		
Not later than 1 year	48,785	22,060
Later than 1 year but not later than 5 years	116,596	62,401
Later than 5 years	50,999	50,999
	216,380	135,460
Future finance charge	(60,054)	(48,693)
Present value of finance lease liabilities	156,326	86,767

26. GOVERNMENT GRANT

	2023	2022
	---- (Rupees in '000') ----	
Opening balance	213,284	13,419
Received during the year	217,354	232,272
Released to the statement of profit or loss	(21,913)	(32,407)
Closing balance	408,725	213,284
Current portion of government grant	27,161	42,643
Non Current portion of government grant	381,564	170,641
	408,725	213,284

26.1 As aforementioned in notes 20.2 to 20.5, the Government grant has been recorded as per the provisions of IAS-20 due to the difference between coupon and effective interest rates of the aforementioned financial liabilities.

27. TRADE AND OTHER PAYABLES

	Note	2023	2022
		---- (Rupees in '000') ----	
Creditors		3,989,893	365,001
Murabaha & Musawama	27.1	366,968	4,056,998
Accrued liabilities		318,269	1,281,199
Current portion of provision for GIDC	21	65,867	66,501
Workers' Welfare Fund	27.2	202,477	202,477
Workers' Profit Participation Fund		-	111,725
Withholding tax payable		35,929	21,784
Sales tax payable		-	132,450
Ijarah rentals payable		-	191
		4,979,403	6,238,326

27.1 Represents Murabaha & Musawama facilities amounting to Rs. 8,300 million (2022: Rs. 7,300 million) obtained from Islamic banks for purchase of raw material. These carry profit at the rates ranging from relevant 3 month KIBOR plus 0.75% to 3 month KIBOR plus 1.5% per annum (2022: relevant 6 month KIBOR plus 0.5% to 3 month KIBOR plus 1.5% per annum). These facilities are secured by joint hypothecation charge over present and future current assets of the Company with 25% margin.

27.2 Includes Rs. 128.024 million pertaining to financial years ending 30 June 2015 to 30 June 2018. The amount is still outstanding as the matter is pending adjudication at the Honorable High Court of Sindh due to the 18th amendment in the Constitution of Pakistan.

28. INTEREST / MARK-UP ACCRUED

	2023	2022
	---- (Rupees in '000') ----	
Long-term financing	95,826	71,160
Short-term borrowings	584,723	298,210
Murabaha	28,393	110,872
	708,942	480,242
Related parties	91,342	40,897
	800,284	521,139

29. SHORT-TERM BORROWINGS - secured

	Note	2023	2022
		---- (Rupees in '000') ----	
Cash finance	29.1	766,716	5,069
Running finance	29.2	1,972,797	2,017,211
Istisna	29.3	3,606,900	2,906,882
Finance against trust receipts	29.4	3,580,724	7,019,110
Short term loan	29.5	1,404,000	625,000
		11,331,137	12,573,272

29.1 Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit of 1 month KIBOR + 1% per annum. (2022: 1 month KIBOR + 0.75% to 1 month KIBOR + 1% per annum).

29.2 Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 3 month KIBOR plus 0.65% to 3 month KIBOR plus 1.50% per annum (2022: 3 month KIBOR plus 0.6% to 3 month KIBOR plus 1.50% per annum).

29.3 Represents working capital facilities availed from various Islamic banks carrying profit ranging from 6 month KIBOR plus 0.75% to 6 month KIBOR plus 1.15% per annum (2022: 6 month KIBOR plus 0.75% to 6 month KIBOR plus 1% per annum).

29.4 Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 3 month KIBOR plus 0.65% to 6 month KIBOR plus 1.00% per annum (2022: 1 month KIBOR plus 0.5% to 3 month KIBOR plus 1.35% per annum).

29.5 Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 1 year KIBOR plus 1.00% to 3 month KIBOR plus 1.25% per annum (2022: 3 month KIBOR plus 1.15% per annum to 3 month KIBOR plus 1.25% per annum).

29.6 As of the statement of financial position date, the Company has unutilized facilities for short term borrowings from Islamic and conventional banks amounting to Rs. 3,521 million and Rs. 4,702 million (2022: Rs. 2,104 million and Rs. 5,027 million) respectively. These facilities are secured by way of joint hypothecation charge over present and future current assets of the Company with 25% margin.

30. CONTINGENCIES AND COMMITMENTS

Contingencies

30.1 During the year ended 30 June 2016, the Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers' Unit (LTU), Karachi passed an Order on the contention that the Company had violated the provisions of Rule 58H of Chapter XI of the Sales Tax Special Procedure Rules, 2007 (the Rules) and raised an alleged demand of Rs. 2,013.620 million for the tax periods July 2013 to December 2014. The Company filed an appeal against the Order at the Appellate Tribunal Inland Revenue (ATIR) and had secured interim stay from the Honorable High Court of Sindh (The Court). During the year ended 30 June, 2018, the ATIR has decided the case in favour of the Company. During the year ended 30 June 2020, the Federal Board of Revenue filed reference application before the Court against ATIR's Order. Although the case is still pending adjudication, the Company based on the merit of the case and as per the advice of the legal advisor expects a favourable outcome on this matter and accordingly, no provision has been made in these financial statements.

30.2 The Federal Board of Revenue issued Sales Tax General Order (STGO) No.18 of 2016 on 14 March 2017 and STGO No.119/2017 on 18 August 2017, whereby the procedure for payments and claiming adjustments of advance sales tax was amended. Before the STGOs, sales tax was being paid by the Company on the basis of Rules 58(H) of the Rules. The Company has challenged both the STGOs before the Court restraining the tax department to calculate the sales tax liability on the basis of the said STGOs and requesting continuation of the procedure of payment and adjustment of advance tax on the basis of the Rules. The Court granted stay against both the said STGOs with the direction that impugned STGOs shall remain suspended and the Company shall be entitled for claiming adjustment of advance sales tax on the basis of the Rules. The financial exposure of the Company up to 30 June 2021 is Rs. 1,166.03 million (2021: Rs. 1,166.03 million). The management based on a legal advice is confident that the outcome will be in favour of the Company. Accordingly, no provision has been made in these financial statements.

30.3 During the year ended 30 June 2020, the Deputy Commissioner Inland Revenue, Large Taxpayers' Unit, Karachi issued show-cause notice under Section 11(2) of the Sales Tax Act, (the Act) 1990 (the Act) for alleged non-charging of further tax on the supplies made to unregistered persons and raised an alleged demand of Rs. 305 million for the tax periods July 2015 to June 2017. The Company had filed a Constitutional Petition before the Court which issued an interim order, restraining any coercive action against the Company. The stay will remain in field until further directions from the Court. The management, based on legal advice, is confident that the eventual outcome will be in favour of the Company. Accordingly, no provision has been made in this respect in these financial statements.

30.4 During the year ended 30 June 2021, the Deputy Commissioner Inland Revenue, Large Taxpayers' Unit, Karachi issued show-cause notice under Section 11(2) of the Act, for alleged non-charging of further tax on the supplies made to unregistered and raised an alleged demand of Rs. 1.723 billion for the tax periods July 2014 to June 2020. The Company filed a constitutional petition before the Court which issued an interim order dated December 22, 2020, restraining any coercive action against the Company. The order will remain in force until further directions from the Court. The management based on the legal advice, is confident that the eventual outcome will be in favour of the Company. Accordingly, no provision has been made in this respect in these financial statements.

30.5 During the year ended 30 June 2021, the Additional Commissioner Inland Revenue (ACIR), Large Taxpayer Office (LTO), Karachi passed an Order under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) and raised an alleged demand of Rs. 72.24 million for the tax year 2015. The Company is currently contesting the said order at the Appellate Tribunal Inland Revenue. Although the case is still pending adjudication, the Company, based on the merits of the case and as per the opinion of its tax advisor, expects a favorable outcome. Accordingly, no provision has been made in these financial statements.

30.6 During the year ended 30 June 2022, the Additional Commissioner Inland Revenue (ACIR), Large Taxpayer Office (LTO), Karachi passed an Order under section 122(5A) of the Income Tax Ordinance, 2001 and raised an alleged demand of Rs. 150.207 million for the tax year 2017. The Company led an appeal against the Order at the Commissioner Inland Revenue (Appeals) – (CIR-(Appeals)) and had secured an interim stay from the CIR (Appeals) under Section 140 of the Income Tax Ordinance, 2001. Although the case is still pending adjudication, the Company based on the merits of the case and as per the advice of the tax advisor expects a favorable outcome on this matter and accordingly, no provision has been made in these financial statements.

30.7 During the year ended 30 June 2022, the Additional Commissioner Inland Revenue (ACIR) issued show-cause notice dated 05 April 2022 under Section 122(5A) of the Income Tax Ordinance, 2001 whereby he had raised certain queries relating to apportionment of expenses, tax credit under Section 65E and admissibility of provisions relating to return filed for tax year 2021 . In response, the Company filed explanation along-with documentary evidence. Subsequent to the year end, ACIR issued an order under Section 122(5A) of the Ordinance whereby tax demand of Rs.196,061,562 has been raised. The Company is currently contesting the said order at the Appellate Tribunal Inland Revenue. Although the case is still pending adjudication, the Company, based on the merits of the case and as per the opinion of its tax advisor, expects a favorable outcome. Accordingly, no provision has been made in these financial statements.

	Commitments	2023	2022
		---- (Rupees in '000') ----	
30.8	**Outstanding letters of credit**		
	- Material	5,564,811	5,814,377
	- Capex	356,567	229,048
		5,921,378	6,043,425
	Outstanding letters of guarantee	486,356	583,356

30.9 Commitments for rentals payable under Ijarah contracts in respect of vehicles and plant and machinery with Islamic banks are as follows:

	2023	2022
Not later than one year	40,043	45,343
Later than one year but not later than five years	24,461	56,373

31 SALES – net

	2023	2022
	---- (Rupees in '000') ----	
Local		
Gross sales	53,438,364	68,079,966
Less: sales tax	(7,917,618)	(9,906,711)
Less: trade discounts	(99,216)	(46,916)
	45,421,530	58,126,339
Export sales	71,194	57,943
	45,492,724	58,184,282

31.1 Revenue recognized during the year from contract liabilities as at the beginning of the year amounted to Rs. 773.573 million (2022: Rs. 499.708 million).

32 COST OF SALES

	Note	2023	2022
		---- (Rupees in '000') ----	
Manufactured stock - bars	32.1	38,544,680	51,121,950
Manufactured stock - billets		985,880	570,845
		39,530,560	51,692,795

32.1 Cost of sales – manufactured goods

	Note	2023	2022
Opening stock – work in progress	12	1,245,729	790,973
Cost of billets manufactured internally	32.1.1	34,930,381	49,358,241
Billets sold		(985,880)	(570,845)
Purchases		35,282	1,607,826
Closing stock – work in progress	12	(967,718)	(1,245,729)
		34,257,794	49,940,466
Manufacturing overheads			
Stores and spares consumed		281,865	325,528
Salaries, wages and other benefits	32.1.2	422,984	452,713
Cartage and transport		438,769	420,153
Fuel, power and water	32.1.3	1,309,369	1,643,163
Depreciation	7.1.6	491,964	377,476
Ijarah rentals		517	1,396
Repairs and maintenance		43,652	28,487
Insurance		3,628	3,669
Rent, rates and taxes		114	646
Consultancy charges		65	322
Vehicle running expense		23,702	14,440
Conveyance and travelling		30,487	15,103
Canteen expenses		27,165	17,003
Others		33,217	28,791
		3,107,498	3,328,890
Cost of goods manufactured		37,365,292	53,269,356
Cost of bars used for own use		(11,612)	(14,322)
		37,353,680	53,255,034
Finished goods			
Opening stock	12	3,918,425	1,785,341
Closing stock	12	(2,727,425)	(3,918,425)
		1,191,000	(2,133,084)
		38,544,680	51,121,950

32.1.1 Cost of billets manufactured internally	Note	2023	2022
Raw material consumed		---- (Rupees in '000') ----	
Opening stock	12	5,085,067	2,024,381
Purchases		24,446,929	42,648,192
		29,531,996	44,672,573
Closing stock	12	(1,911,763)	(5,085,067)
		27,620,233	39,587,506
Manufacturing overheads			
Stores and spares consumed		2,376,412	3,333,377
Salaries, wages and other benefits	32.1.1.1	532,631	546,313
Depreciation	7.1.6 & 26	324,552	282,997
Fuel and power	32.1.1.2	3,871,572	5,410,228
Ijarah rentals		3,003	6,360
Cartage		60,652	67,539
Repairs and maintenance		29,754	33,067
Rent, rates and taxes		1,894	562
Insurance		7,023	4,812
Conveyance and travelling		43,214	28,248
Canteen expenses		28,773	15,113
Vehicle running expense		21,111	14,214
Others		9,557	27,905
		7,310,148	9,770,735
		34,930,381	49,358,241

32.1.1.1 Includes Rs. 18.202 million (2022: Rs.13.54 million) in respect of staff retirement benefits.

32.1.1.2 Includes Rs. Nil million (2022: Rs. 229.660) in respect of reversal of provision of Industrial Support Package Adjustment (ISPA) charge.

32.1.2 Includes Rs. 24.178 million (2022: Rs. 20.129 million) in respect of staff retirement benefits.

32.1.3 Includes Rs. Nil million (2022: Rs.43.011) in respect of reversal of provision of Industrial Support Package Adjustment (ISPA) charge.

33. DISTRIBUTION COSTS

	Note	2023	2022
		---- (Rupees in '000') ----	
Salaries, allowances and other benefits	33.1	238,018	243,871
Carriage and transport		392,022	375,108
Advertisement and sales promotion		108,893	286,631
Depreciation	7.1.6 & 8.1	68,187	40,257
Utilities		16,021	11,341
Bundling and special order charges		73,754	113,711
Rent, rates and taxes		1,222	755
Vehicle running expense		21,386	11,882
Travelling and conveyance		9,430	13,790
Packing material		35,824	53,022
Repair and maintenance		29,635	41,745
Entertainment		8,284	5,940
Others		6,102	5,587
		1,008,778	1,203,640

33.1 Includes Rs. 17.244 million (2022: Rs. 11.685 million) in respect of staff retirement benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

34. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		---- (Rupees in '000') ----	
Salaries, allowances and other benefits	34.1	462,139	506,948
Depreciation	7.1.6 & 8.1	57,093	30,392
Amortisation	9	7,619	7,643
Travelling and conveyance		5,906	5,314
Legal and professional charges		47,379	33,353
Research expenses		3,304	10,057
Vehicles running expenses		37,609	21,189
Security guard expenses		6,432	4,102
Insurance		2,793	1,711
Computer consumables		27,736	24,630
Rent, rates and taxes		2,812	11,547
Communication charges		8,969	9,195
Printing and stationery		3,032	4,621
Utilities		19,395	11,426
Auditors' remuneration	34.2	4,164	3,895
Repairs and maintenance		38,707	30,864
Ijarah rentals		2,870	6,739
Others		13,155	12,345
		751,114	735,971

34.1 Includes Rs. 33.291 million (2022: Rs. 26.167 million) in respect of staff retirement benefits.

34.2 Auditors' remuneration

	2023	2022
	---- (Rupees in '000') ----	
Audit fee	2,415	2,300
Review of half yearly financial statements and other certifications	1,155	1,100
Out of pocket expenses	594	495
	4,164	3,895

35. OTHER EXPENSES

	Note	2023	2022
		---- (Rupees in '000') ----	
Workers' profit participation fund		-	111,725
Workers' Welfare fund		-	44,690
Loss on sale of property, plant and equipment	7.1.5	1,077	-
Exchange Loss		24,101	-
Detention charges		36,500	8,092
Donations	35.1 & 35.2	22,419	21,938
		84,097	186,445

35.1 Donations include the following donees to whom donations exceed 10% of total donation or Rs. 1 million whichever is higher:

Dawat e Hadiya	2,500	-
Hunar Foundation	3,000	-
JDC Foundation	2,000	-
Muhammad Anwar	1,511	-
Pakistan National Society for Soil Mechanics & Foundation Engineering	1,000	-
Namal University	-	8,000
The Citizen Foundation	-	3,000
Khana Ghar	1,996	1,369
Quality Schools Foundation	-	1,000
	12,007	13,369

35.2 Recipients of donations do not include any donee in which any director or his spouse had any interest except for donation paid to Amreli Foundation and Hunar Foundation amounting to Rs 0.31 million and Rs 3 million respectively. Mr. Abbas Akberali, Mr. Hadi Abbas Akberali, Mr. Shayan Akberali are also directors in Amreli Foundation. Further, Mr. Abbas Akberali is also a director in Hunar Foundation.

36. OTHER INCOME

		2023	2022
		---- (Rupees in '000') ----	
Income from financial assets			
- Profit on saving accounts		554	41
- Profit on TDRs		6,313	1,018
		6,867	1,059
Income from non-financial assets			
- Gain on disposal of property, plant and equipment		-	2,201
- Scrap sales		1,445	8,497
- Reversal of excess provision against security deposit considered doubtful		-	12,750
		1,445	23,448
		8,312	24,507

37. FINANCE COSTS

		2023	2022
		---- (Rupees in '000') ----	
Markup / interest			
Long-term financing		991,903	538,795
Short-term borrowings		2,556,908	1,315,555
Murabaha & Musawama		355,821	376,764
Loan from related parties		61,410	38,720
Right-of-use-assets	25	20,005	9,270
Workers' profit participation fund		14,708	5,206
		4,000,755	2,284,310
Bank charges		32,006	22,387
		4,032,761	2,306,697

37. TAXATION

	Note	2023	2022
		---- (Rupees in '000') ----	
Current tax	38.1	256,557	318,790
Deferred tax		396,010	433,759
		652,567	752,549

38.1 The return of income for the tax year 2022 has been filed by the Company. The said return, as per the provisions of Section 120 of the Income Tax Ordinance, 2001 has been deemed to be an assessment order passed by the Commissioner of Inland Revenue. During the year, provision for current tax is based on minimum tax and final tax regime. Accordingly, tax reconciliation has not been presented in these financial statements.

39. BASIC AND DILUTED EARNINGS PER SHARE

	2023	2022
	---- (Rupees in '000') ----	
Net (Loss) / profit for the year	(678,443)	1,325,515
	Number of shares	
Weighted average number of ordinary shares of Rs. 10/- each	297,011,427	297,011,427
	---- (Rupees) ----	
Basic and diluted (Loss) / earnings per share	(2.28)	4.46

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Note	2023			
		Chief Executive	Director	Executives	Total
		(Rupees in '000)			
Managerial remuneration		17,100	1,035	157,923	176,058
Housing allowance		7,695	1,035	65,030	73,760
Utilities & conveyance		7,695	230	50,286	58,211
Medical		1,710	-	15,728	17,438
Gratuity		2,066	834	18,579	21,479
Bonus		-	-	-	-
Others	40.3	-	2,300	113,868	116,168
		36,266	5,434	421,414	463,114
Number		1	1	59	61

	Note	2022			
		Chief Executive	Director	Executives	Total
		(Rupees in '000)			
Managerial remuneration		23,440	-	139,057	162,497
Housing allowance		10,548	-	54,372	64,920
Utilities & conveyance		10,548	-	45,556	56,104
Medical		2,343	-	13,263	15,606
Gratuity		2,832	-	15,893	18,725
Bonus		6,450	-	73,303	79,753
Others	40.3	-	-	52,916	52,916
		56,161	-	394,360	450,521
Number		1		50	51

40.1 The Chief Executive and the Chairman are provided with free use of Company maintained cars and club memberships with certain reimbursements pertaining to business purposes in accordance with their entitlements. Certain executives are also provided with company maintained cars as per entitlement.

40.2 The aggregate amount paid to the six Non-Executive Directors (2022: six Non-Executive Directors) as a fee for attending the meetings is Rs. 3.575 million (2022: Rs. 4.7 million)

40.3 Other includes payment against car benefit allowance, drivers' salaries, mobile allowance, achievement of KPI, career merit points and gratuity contribution etc.

41. CASH GENERATED FROM OPERATIONS

Cash flows from operating activities	Note	2023	2022
		-------- (Rupees in '000') --------	
Profit before taxation		(25,876)	2,078,064
Adjustments for:			
Depreciation – operating fixed assets	7.1.6	920,746	707,247
Depreciation – right-of-use-asset	8.1	42,963	23,875
Amortization	9	7,619	7,643
Allowance for / (Reversal of) expected credit loss	13.1	119,602	5,177
Bad debts written off	13.1	(8,899)	(100,561)
Reversal of provision for security deposits	36	-	(12,750)
Adjustment (ISPA) charge		-	(272,671)
Reversal of provision for GIDC		(7,600)	(12,846)
Unrealized exchange (gain) / loss		17,311	-
Provision for gratuity	24.1	92,915	71,521
Loss / (Gain) on disposal of operating fixed assets	35	1,077	(2,201)
Amortization of government grant	26	(21,913)	(32,407)
Finance costs	37	4,012,756	2,297,427
Interest expenses on leases	37	20,005	9,270
		5,196,582	2,688,724
Operating profit before working capital changes		5,170,706	4,766,788
(Increase) / decrease in current assets:			
Stores and spares		152,491	(1,300,802)
Stock-in-trade		3,920,439	(5,025,495)
Trade debts		393,900	937,725
Loans and advances		7,953	(19,403)
Trade deposits and short-term prepayments		10,493	2,562
Other receivables		(210,970)	274,947
		4,274,306	(5,130,466)
Increase / (decrease) in current liabilities:			
Trade and other payables		2,413,796	612,712
Contract liabilities		(294,347)	273,865
		2,119,449	886,577
Cash generated from operations		11,564,461	522,899

42. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		-------- (Rupees in '000') --------	
Cash and bank balances	17	271,913	356,869
Running finance	29	(1,972,797)	(2,017,211)
		(1,700,884)	(1,660,342)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk, liquidity risk and operational risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's risk management function continues to monitor the developing situation and proactively manage any risk arising thereof.

The board of Directors reviews and agrees policies for managing each of the risk which are summarized below.

43.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured. Under market risk the Company is exposed to interest rate risk, currency risk and other price risk (equity price risk).

43.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company mitigates its risk against exposure by maintaining adequate bank balances. The Company's interest rate risk arises from long-term financing, short-term borrowings, murabaha, saving accounts and term deposit receipts having floating rates. Change in benchmark interest rate by 1% may have a positive or negative impact of approximately Rs. 177 million (2022: Rs. 231 million) in statement of profit or loss. The analysis is made based on the assumption that all other variables remain constant.

43.1.2 Foreign 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. It mainly arises where receivables and payables exist due to transactions in foreign currency. The Company's exposure to the risk of changes in foreign exchange rates relate primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency).

	2023		2022	
	US Dollar	Euro	US Dollar	Euro
Trade and other payables	13,894,287	19,613	-	-
Short-term borrowings	-	-	-	-

The following significant exchange rates have been applied at the reporting dates:

---------(Rupees)---------		---------(Rupees)---------	
287.1	314.27	-	-

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonable possible change in the US Dollar and Euro exchange rate, with all other variables held constant, of the company's profit before taxation:

	Change in US Dollar rate (%)	Effect on profit before tax	Change in Euro rate (%)	Effect on profit before tax
	----------Rupees in '000'----------			
30 June 2023	-	398,905	+10	616
	-	(398,905)	-10	(616)
30 June 2022	+10	-	+10	101
	-10	-	-10	(101)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / loss for the year and assets and liabilities of the Company

43.1.3 Equity price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as currently the Company has no investments in equity securities.

42.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties 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.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Note	2023	2022
		---- (Rupees in '000') ----	
Investments	10	14,289	14,289
Trade debts	13	4,973,402	5,478,005
Loans	14	33,985	29,486
Security deposits	15	3,400	10,165
Other receivables	16	211,236	266
Bank balances	17	262,606	310,570
		5,498,918	5,842,781

43.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as shown below:

	Note	2023	2022
Trade debts			
The ageing of trade debts at the statement of financial position date was:		---- (Rupees in '000') ----	
Neither past due nor impaired		3,379,014	4,420,844
Past due 1 to 90 days		1,222,372	926,139
Past due 91 to 180 days		202,865	72,304
More than 180 days		466,865	245,729
	13	5,271,116	5,665,016
Bank balances			
Ratings			
A1+		177,962	206,732
A-1		78,570	70,690
A-2		1,809	24,583
Unrated		4,265	8,565
	17	262,606	310,570
Investments			
Ratings			
AA-		14,289	14,289
	10	14,289	14,289

43.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with the financial instruments. The management is closely monitoring the Company's liquidity and cash flow position through its treasury function and ensures availability of funds by maintaining credit facilities available from financial institutions. The liquidity management also involves monitoring of liquidity ratios and maintaining debt financing plans.

Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

2023	Less than 3 months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
	(Rupees in '000)				
Interest bearing financial liabilities					
Long-term financing	392,644	1,411,866	3,495,630	577,677	5,877,817
Loan from related parties	407,675	-	-	-	407,675
Long-term lease liabilities	25,666	23,119	116,596	50,999	216,380
Trade and other payables	366,968	-	-	-	366,968
Short-term borrowings	4,110,987	7,220,145	-	-	11,331,132
Non-interest bearing financial liabilities					
Trade and other payables	-	3,989,893	-	-	3,989,893
Unclaimed dividend	5,456	-	-	-	5,456
Accrued mark-up	478,956	229,946	-	-	708,902
	5,788,352	12,874,969	3,612,226	628,676	22,904,223

2022	Less than 3 months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
	(Rupees in '000)				
Interest bearing financial liabilities					
Long-term financing	187,322	1,159,863	4,673,144	718,728	6,739,057
Loan from related parties	10,230	30,355	351,563	-	392,148
Long-term lease liabilities	-	22,060	62,401	50,999	135,460
Trade and other payables	3,059,302	1,362,889	-	-	4,422,191
Short-term borrowings	7,235,140	5,320,927	-	-	12,556,067
Non-interest bearing financial liabilities					
Trade and other payables	975,994	-	-	-	975,994
Unclaimed dividend	5,610	-	-	-	5,610
Accrued mark-up	455,396	24,851	-	-	480,247
	11,928,994	7,920,945	5,087,108	769,727	25,706,774

43.4 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 activities, 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 operation 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 while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management 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 the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.

Business Continuity Plans for respective areas are in place and tested. Work-from-Home capabilities have been enabled for staff where required, while ensuring adequate controls to ensure that company's information assets are adequately protected from emerging cyber threats.

43.5 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

During the year, the Company's strategy was to minimize leveraged gearing. The Company finances its expansion projects through borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. As of the date of statement of financial position, the Company was financed through equity and debt.

	Note	2023	2022
		---- (Rupees in '000') ----	
Gearing ratio			
Long-term financing	20	5,504,579	6,174,539
Trade and other payables	27	4,979,403	6,238,326
Contract liabilities		479,226	773,573
Lease Liabilities	25	156,326	86,767
Accrued mark-up	28	800,284	521,139
Short-term borrowings	29	11,331,137	12,573,272
Total debt		23,250,955	26,367,616
Cash and bank balances	17	(271,913)	(356,869)
Net debt		22,979,042	26,010,747
Share capital	18	2,970,114	2,970,114
Reserves		7,949,338	8,578,933
Surplus on revaluation of property, plant and equipment	19	3,642,789	3,705,659
Total equity		14,562,241	15,254,706
Equity and net debt		37,541,283	41,265,453
		61%	63%

43.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognized at fair value, analyzed between those whose fair value is based on:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

	2023				2022
	Level 1	Level 2	Level 3	Total	Total
	(Rupees in '000')				
Property, plant and equipment	-	20,219,565	-	20,219,565	19,466,013

44. FINANCIAL INSTRUMENTS BY CATEGORY

44.1 Financial assets as per statement of financial position

	Note	2023	2022
At amortised cost		---- (Rupees in '000') ----	
Term deposits receipts	10	14,289	14,289
Trade debts	13	4,973,402	5,478,005
Loans	14	33,985	29,486
Accrued profit on term deposits receipts and savings account		801	266
Bank balances	17	262,606	310,570

43.2 Financial liabilities as per statement of financial position

	Note	2023	2022
At amortised cost			
Long term financing	20	5,504,579	6,174,539
Loan from related parties	22	316,333	341,333
Trade payable	27	4,356,861	4,422,191
Interest / mark up accrued	28	800,284	521,139
Short term borrowing	29	11,331,137	12,573,272
Unclaimed dividend		5,456	5,610

45. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors and key management personnel of the Company. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

45.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

	2023	2022
Nature of transactions	---- (Rupees in '000') ----	
Transaction with directors		
- Payment of interest to related parties	10,966	8,819
- Principal Repayment to related parties	25,000	-
- Sale of Laptop	-	23
- Sale of vehicles to Directors	1,762	-
- Sale of vehicles to Company	11,000	-
- Sale of bars	12,078	-
Transactions with associates		
- Entertainment expense	267	526
- Donation to The Hunar Foundation	3,000	738
- Donation to Amreli Foundation	310	-
Transactions with shareholder		
- Sale of bars	-	15,156
- Payment of interest to shareholder	-	5,669
- Payment of rent and security deposit of rented office	22,292	8,190

45.1.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No	Company Name	Basis of association	Aggregate % of shareholding
1	Paramount Steel Company	Associate (common directorship)	-
2	Shershah Industries (Private) Limited	Associate (common directorship)	-
3	Hobnob Bakeries	Associate (common directorship)	-
4	Amreli Holding (Private) Limited	Associate (common directorship)	-
5	Hi-Tech Metals Special Economic Zone (Private) Limited	Associate (common directorship)	-
6	The Hunar Foundation	Associate (common directorship)	-
7	Amreli Global Enterprises (Private) Limited	Associate (common directorship)	-
8	Amreli Foundation	Associate (common directorship)	-
9	Ms. Salsabil Akberali	Shareholder	0.42%
10	Mr. Hadi Akberali	Director	12.70%
11	Ms. Kinza Shayan	Director	-
12	Mr. Abbas Akberali	Director	30.74%
13	Mr. Shayan Akberali	Director	12.61%

45.1.2 None of the key management personnel had any arrangements with the Company other than the employment contract.

45.1.3 All the transactions with related parties are entered in accordance with the terms of agreement as approved by Board of Directors of the Company.

46. PLANT CAPACITY AND ACTUAL PRODUCTION

	2023	2022
46.1 Billets	(Metric Ton)	
Plant - name plate capacity	600,000	600,000
Available capacity	492,000	492,000
Actual production	215,232	380,817
46.2 Bars		
Plant - name plate capacity	605,000	605,000
Available capacity	605,000	605,000
Actual production	206,163	370,566

46.3 Actual production during the year is in line with the market demand.

47. OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment. Total sales of the Company relating to customers in Pakistan were 99.84% during the year ended June 30, 2023 (June 30, 2022: 99.91%).

All non-current assets of the Company as at June 30, 2022 and 2021 are located in Pakistan.

Sales to twenty major customers of the Company are around 25% during the year ended June 30, 2023 (June 30, 2022: 16%).

47.1 Geographical information

The Company's gross revenue from external customers by geographical location is detailed below:

	2023	2022
	(Rupees in '000')	
Domestic sales	53,438,364	68,079,966
Export sales	71,194	57,943
	53,509,558	68,137,909

47.1.1 Region wise export sales are as under:

Korea	71,194	57,943

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

48t. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2023	2022
	(Number)	
Total number of employees' as at June 30	**749**	755
Average number of employees' during the year	**757**	744

49. GENERAL

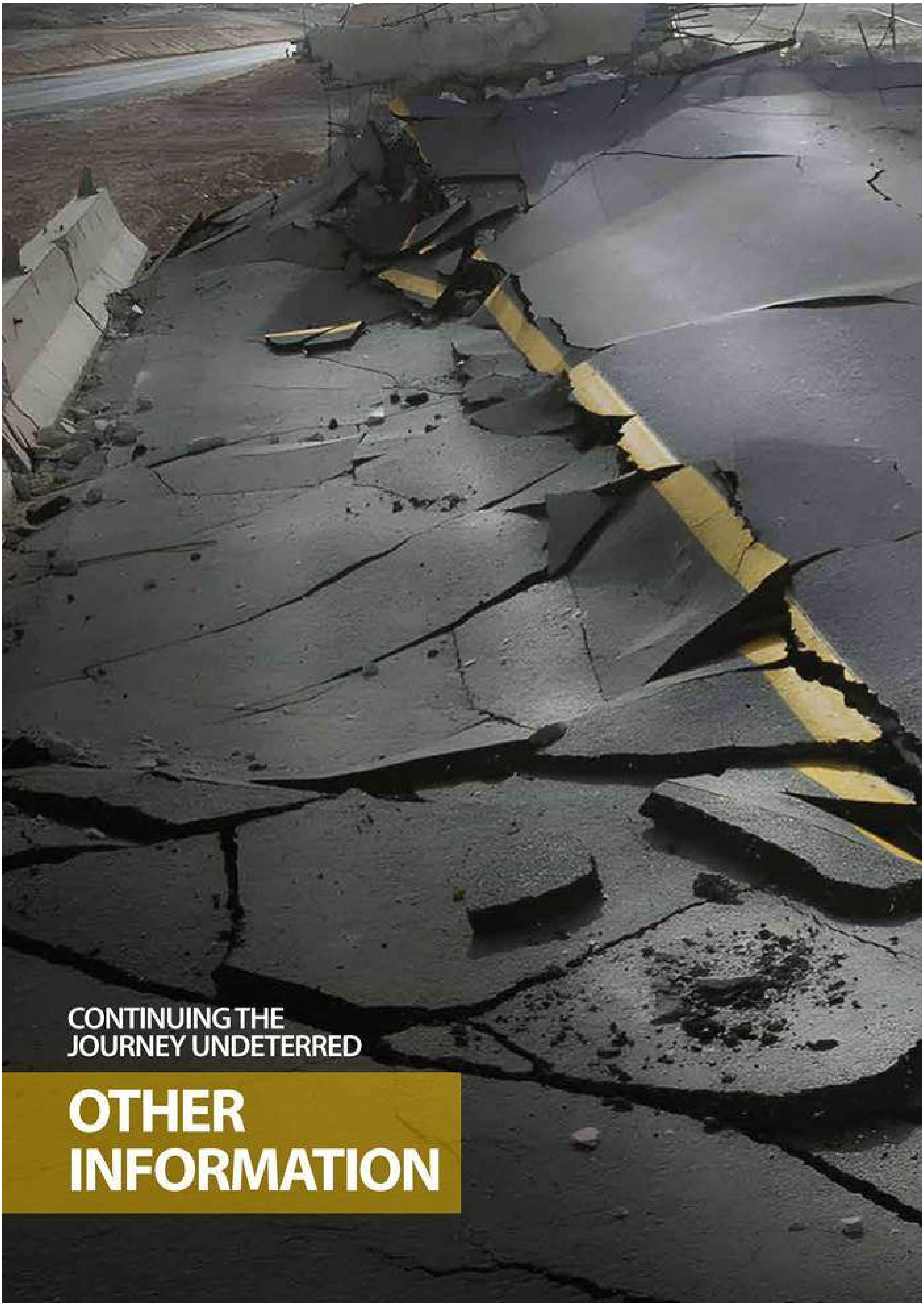
49.1 Corresponding figures have been reclassified / rearranged, wherever necessary.

49.2 Figures have been rounded off to the nearest thousand, unless otherwise stated.

50. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 08 September 2023 by the Board of Directors of the Company.

Chief Executive	Director	Chief Financial Officer



CONTINUING THE JOURNEY UNDETERRED

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Online Quizzes
jamapunji.pk
@jamapunji_pk

E-DIVIDEND MANDATE FORM

Mandatory Credit of Dividend into Bank Account

To: ____________________________   Date:________________

____

____

The undersigned being member of **AMRELI STEELS LIMITED** (the Company), hereby authorize the Company that all my cash dividend amounts declared by the Company, from time to time, be credited into the bank account as per following details:

(i) Shareholder's Details	
Name of the shareholder	
Folio No. / CDC Participants ID & Sub Acc. No./CDC IAS Account	
CNIC/NICOP No. (Please attach copy)	
Passport No.[in case of Foreign Shareholder] (Please attach copy)	
Landline Phone No.	
Cellphone No.	
Email Address.	
(ii) Shareholder's Bank Details	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
International Bank Account Number (IBAN) (24 digit)	

It is stated that the above mentioned information is correct that I will intimate the change in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

____

Signature of the member/shareholder

(Please affix company stamp in case of corporate entity)

NOTE:

1. Please provide complete IBAN after consultation with your bank branch. In case of any error or omission in IBAN, the Company will not be held responsible in any manner for any loss or delay in your cash dividend payment.
2. In case of physical shares, a duly filled-in e-Dividend Mandate Form shall be submitted with the Company's Share Registrar. While for shares held in CDC, E-Dividend Mandate Form shall be submitted directly to member's broker/participant/CDC as required by the Central Depository Company of Pakistan Limited vide its Circular No. 16 of 2017 issued on 31 August 2017.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Amreli Steels Limited
A-18, S.I.T.E, Karachi, Pakistan
UAN: 111-267-354
Fax: +92-21-32587240, 38798328
URL: www.amrelisteels.com

Proxy Form

The Company Secretary
Amreli Steels Limited
A-18, S.I.T.E, Karachi.

I/We ______________________ S/o, W/o ______________________, Resident of ______________________ being member(s) of Amreli Steels Limited (the Company), holding ____________________ ordinary shares as per Registered Folio No. / CDC Participant I.D No. ___________ and Sub Account No. ___________ hereby appoint __________________ S/o., W/o _________________ as my / our proxy to attend, act and vote on my / our behalf at the 39th Annual General Meeting of the Company to be held on Tuesday, 24th day of October 2023 at 3:00 pm and at any adjournment thereof.

Signed this ____ day of ______________ 2023.

Affix
Revenue
Stamp

____
Signature of Shareholder

WITNESS:

-1)

Signature: ______________________

Name: ______________________

CNIC / Passport No. ______________________

Address: ______________________

____

-2)

Signature: ______________________

Name: ______________________

CNIC / Passport No. ______________________

Address: ______________________

____

NOTE:

1. The proxy form, duly completed and signed, must be received at the Registered Office of the Company, A-18, S.I.T.E. Karachi, not less than 48 hours before the time of holding the meeting.
2. All members are entitled to attend and vote at the Meeting.
3. If a member appoints more than one proxy for the annual general meeting and more than one instruments of proxy are deposited by the member with the Company, all such instruments of proxy shall be rendered invalid.
4. Members are requested to notify any changes in their address immediately.

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The Company Secretary
Amreli Steels Limited
A-18, S.I.T.E, Karachi, Pakistan
UAN: 111-267-354
Fax: +92-21-32587240, 38798328
URL: www.amrelisteels.com

پراکسی فارم

کمپنی سیکریٹری
امریلی اسٹیلز لمیٹڈ
A-18، سائٹ، کراچی۔

میں/ہم __________ ولد/زوجہ __________ سکنہ/ساکنان __________ بطور ممبر
(ممبران) **امریلی اسٹیلز لمیٹڈ حامل/حاملین** __________ عام حصص بحوالہ فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر __________
اور ذیلی اکاؤنٹ نمبر __________ بذریعہ ہذا جناب/محترمہ __________ سکنہ/ساکنان __________
کو اپنا/ہمارا پراکسی مقرر کرتا/کرتی ہوں/کرتے ہیں تاکہ وہ میری/ہماری جانب سے کمپنی کے انتالیسویں (39th) سالانہ اجلاس عام جو کہ 24 اکتوبر 2023 بروز منگل بوقت 3 بجے شرکت کرے اور حق رائے دہی کا استعمال کرے، یا مذکورہ اجلاس منسوخ ہونے کی صورت میں اس کی جگہ ہونے والے دیگر اجلاس میں شریک ہو۔

دستخط شدہ بروز __________ مورخہ __________ 2023۔

ریونیو مہر یہاں چسپاں کریں

____
دستخط حامل/حاملین حصص

گواہ نمبر 1
دستخط: __________
نام: __________
قومی شناختی کارڈ/پاسپورٹ نمبر: __________
پتہ: __________

گواہ نمبر 2
دستخط: __________
نام: __________
قومی شناختی کارڈ/پاسپورٹ نمبر: __________
پتہ: __________

اہم نکات:

1۔ باقاعدہ پر شدہ اور دستخط شدہ پراکسی فارمز کمپنی کے رجسٹرڈ دفتر A-18 سائٹ کراچی میں اجلاس منعقد ہونے سے کم از کم 48 گھنٹے قبل موصول ہو جانے چاہئیں۔
2۔ تمام ممبران اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا استحقاق رکھتے ہیں۔
3۔ اگر کسی ممبر کی جانب سے سالانہ اجلاس عام میں شرکت کیلئے ایک سے زائد پراکسی کا انتخاب کیا جاتا ہے اور اس سلسلے میں ایک سے زائد پراکسی فارم کمپنی کے پاس جمع کروائے جاتے ہیں تو ایسے تمام فارم مسترد کر دیئے جائیں گے۔
4۔ اگر ممبران کے پتے میں کسی بھی قسم کی کوئی تبدیلی واقع ہوئی ہے تو اس سے فوری طور پر مطلع کریں۔

ریونیو مہر یہاں
چسپاں کریں

کمپنی سیکریٹری
امریلی اسٹیلز لمیٹڈ
A-18، سائٹ کراچی
UAN:111-(AMRELI)267354
www.amrelisteels.com

DIVIDEND CLAIM FORM

Mandatory Credit of Dividend into Bank Account

To: ______________________________

____

____

Date:________________

I/We hereby claim below mentioned dividend, which are appearing as outstanding in the books of the Company belong to me/us. I/we confirm that no payment for the said dividend as mentioned below have been received from the Company in the past:

	Personal information		
i.	Folio or CDC Account No		
ii.	Name as per CNIC		
iii.	Father's/Husband's Name		
iv.	CNIC Number		
v.	Mailing Address		
vi.	Contact Details	Phone No.	
		Mobile No.	
		Email Address	
Unclaimed Dividend information			
vii.	Amount of Unclaimed Dividend		
viii.	Signatures as per Company's records		

I/We attach the following documents in support of my/our claim: (Please mark (√) on appropriate box)

i. ☐ Copy of CNIC of the shareholder(s)

ii. Unclaimed Dividend warrant, if available and not encashed earlier by the shareholders(s)

iii. ☐ Attested copy of electricity /gas/telephone bill showing the current address, if it differs with company's record, alongwith request to record the new address

iv. ☐ Attested copy of Death and succession Certificates, if the shareholder has expired. The dividend will be paid after transfer of shares in the name of legal heirs

AFFIX
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The Company Secretary
Amreli Steels Limited
A-18, S.I.T.E, Karachi, Pakistan
UAN: 111-267-354
Fax: +92-21-32587240, 38798328
URL: www.amrelisteels.com

STANDARD REQUEST LETTER FOR HARD COPY OF AMRELI STEELS LIMITED ANNUAL REPORT

Date: ______________________________

The Share Registrar
Amreli Steels Limited
THK Associates (Pvt.) Limited
Plot No.32-C, Jami Commercial Street-2
D.H.A, Phase-VII, Karachi.
Email: sfc@thk.com.pk

Subject: Request for Hard Copy of Annual Report of Amreli Steels Limited (the "Company")

Dear Sir,

As notified by the Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O. 389(I)/2023 dated 21 March 2023 allowed the Companies to transmit annual audited financial statements/ notice of general meeting(s)/ annual report to the members for future years commencing from the financial year 2023 through QR enabled code and weblink instead of transmitting the same through CD/DVD/USB, at their registered addresses, except for those who opt for a hardcopy of the Annual Audited Accounts by filling out the details below and sending it to the Company's share registrar and Company Secretary.

I, being a registered member of Amreli Steels Limited, with my particulars as mentioned below, hereby request that my name be added to the list of members of the Company who opt for delivery of a hardcopy of the Annual Audited Accounts of the Company at their registered addresses instead of providing the same through QR enabled code and weblink on registered email.

Name of Member(s)	
CDC Participant ID & Sub-Account No.	
CNIC/NICOP/Passport/NTN No.(please attach copy)	
Address of Shareholder	
Land Line Telephone No. (if any)	
Cell No. (if any) Email Address	

Yours truly,

____
Member's Signature (Please affix company stamp in case of corporate entity)

Copy to:
The Company Secretary
Amreli Steels Limited
A-18, S.I.T.E.,
Karachi
Email: investor-relations@amrelisteels.com

AMRELI STEELS

sales@amrelisteels.com www.amrelisteels.com 021-111-267354 (AMRELI)