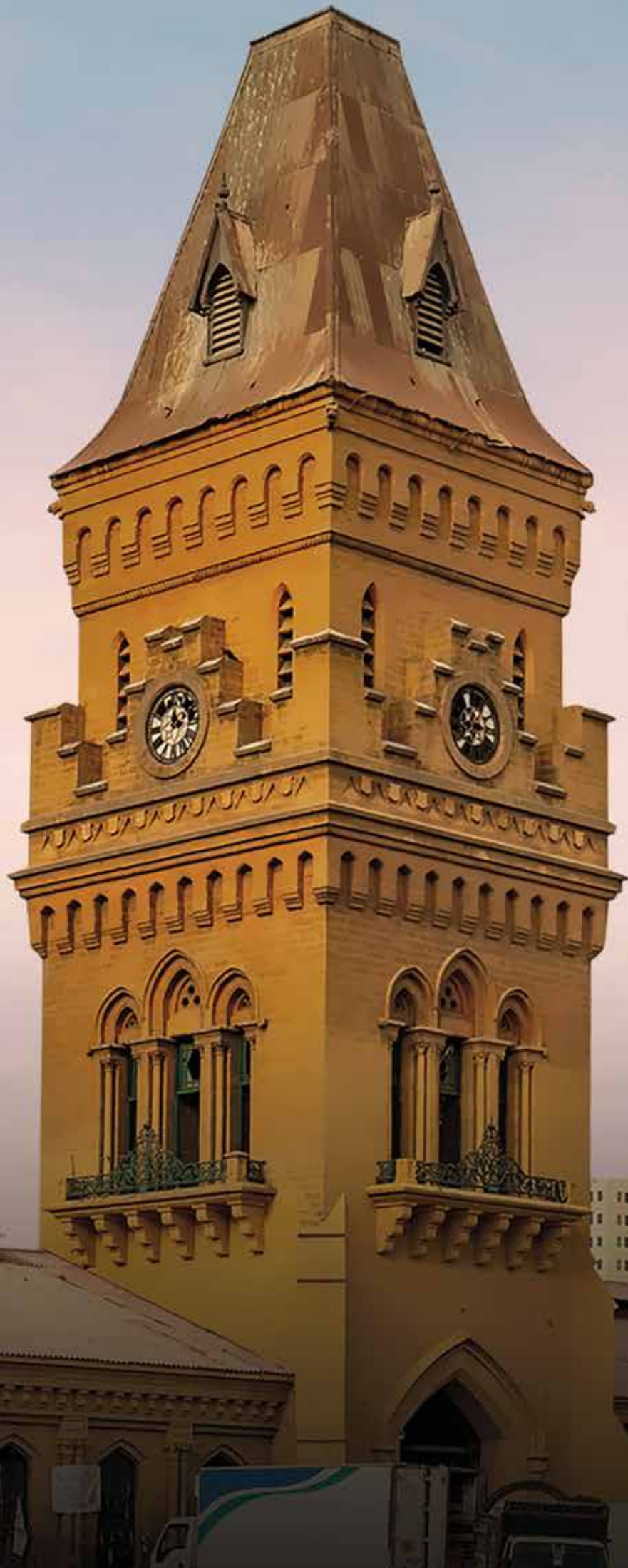


Annual Report 2022

50 YEARS SOLID

A Timeless Tale of Glory



**AMRELI
STEELS**

A TIMELESS TALE OF GLORY

Last year saw the world finally come to terms with the new reality. With that acceptance came perseverance. With that perseverance came a renewed hope to make the best of what we have.

Imbued with the spirit of respect, resilience and integrity and driven by pursuit of excellence and dynamism, Amreli Steels made the most of the opportunity that accompanied the returning consumer confidence. We broke many records and enjoyed unprecedented successes during the year.

With a healthy dose of prudence and vigilance, we hope and pray that this pattern of recovery and success continues in the years to come.





★★★★★
50
YEARS
SOLID

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A Principle That Stands Tall

Corporate Information





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YEARS
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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

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

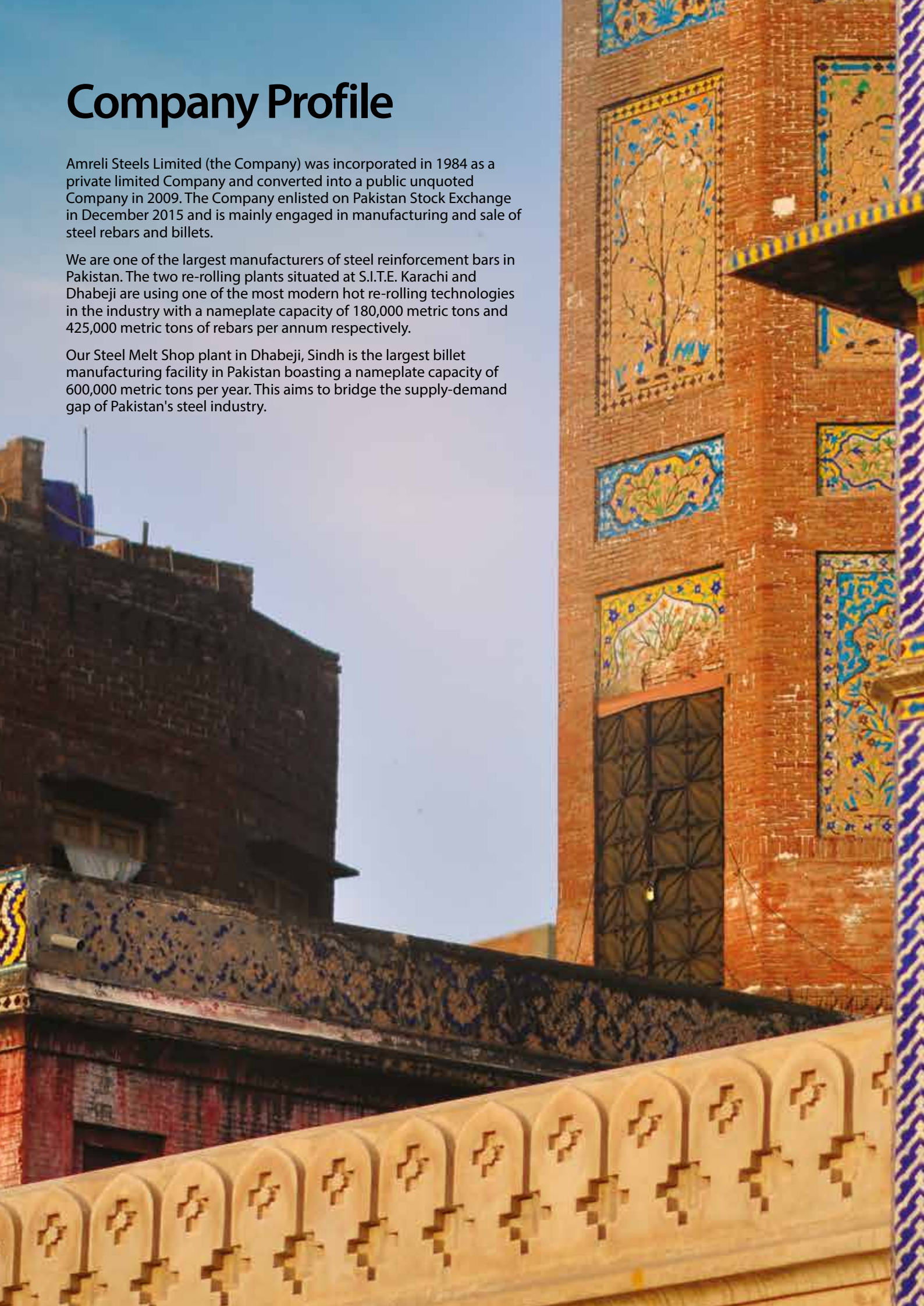
- We give our best everyday
- We strive to excel in every aspect of our business
- We operate outside our comfort zone
- We adapt to best practices
- We believe in continuous improvement

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.





Company Information

BOARD OF DIRECTORS

Mr. Abbas Akberali
Chairman, Non Executive Director

Mr. Shayan Akberali
Chief Executive Officer

Mr. Teizoon Kijat
Independent Director

Mr. Zafar Ahmed Taji
Independent Director

Mr. Badar Kazmi
Independent Director

Ms. Kinza Shayan
Non-Executive Director

Ms. Mariam Akberali
Non-Executive Director

AUDIT COMMITTEE

Mr. Teizoon Kijat
Chairman

Mr. Zafar Ahmed Taji
Member

Mr. Badar Kazmi
Member

Ms. Kinza Shayan
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Zafar Ahmed Taji
Chairman

Mr. Teizoon Kijat
Member

Mr. Shayan Akberali
Member

Ms. Kinza Shayan
Member

Chief Operating Officer (Strategy)
Mr. Hadi Akberali

Chief Operating Officer (Operations) & CFO
Mr. Fazal Ahmed

Company Secretary
Mr. Adnan Abdul Ghaffar

Head of Internal Audit
Ms. Alina Osama Ali

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor Block-C, Lakson Square
Building No.1, Sarwar Shaheed 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
Direct No: (021) 35310187
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 Bank 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

Address: A-18, S.I.T.E, 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
- Strength 60,000 PSI
- Ultimate Tensile Strength 90,000 PSI
- Earthquake Resistant in select seismic zones*
- Value for Money due to Uniform Gauge
- Made from Billet purpose built for construction reinforcement

2. Amreli Steels Xtreme

- Based on BS 4449 - Revised Version of 2016
- The strongest rebar available in the market
- Ideal for Hi-rise buildings
- Strength: 72,500 PSI
- Upto 15% consumption saving as compared to G-60
- Safely Weldable
- Earthquake Resistant in select seismic zones*
- Value for Money due to Uniform Gauge
- Made from Billet purpose built for construction reinforcement

3. Amreli Steels Ultima

- Based on ASTM 706
- Earth Quake Resistant in all seismic zones
- Strength 60,000 PSI
- Ultimate Tensile Strength 80,000 PSI
- Tensile/Yield Strength Ratio > 1.25
- Made from Billet purpose built for construction reinforcement
- Value for Money due to Uniform Gauge
- Ideal for Residential and Commercial projects especially in high seismic activity zones

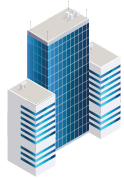
Besides these product brands, Amreli Steels is capable of delivering customized rebar solutions never before seen in our market thanks to its State-of-the-art plant based on 5th Generation Red Ring Technology, the first of its kind in Pakistan.

Amreli Steels can offer*

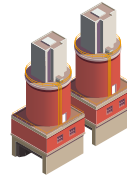
1. Rebars conforming to any international standard
2. Rebars with Rib patterns as per any international standard
3. Cut-to-length as per requirement up to 16M in length
4. 1.25 ratio in ASTM
5. 8 mm deformed rebars in ASTM 615, ASTM 706 and BS 4449 in Pakistan

**These customized services are available for large quantities only. Lead times will vary on case to case basis.*

Geographical Presence



Head Office
Karachi



Factories
1. Dhabeji
2. S.I.T.E. Karachi



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

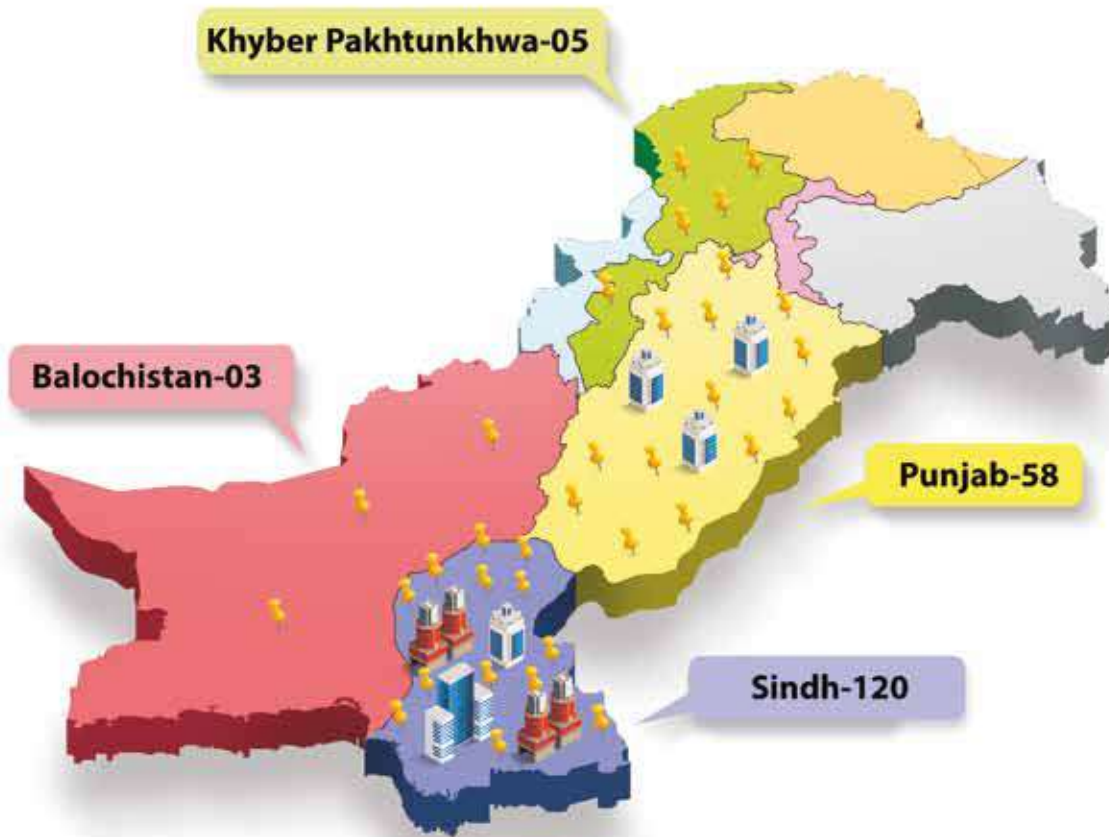


Warehouses
1. Karachi
2. Lahore
3. Islamabad



Number Of Existing Retailers /Stockists

Sindh	120
Baluchistan	03
Punjab	58
Khyber Pakhtunkhwa	05
Total	186



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

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, implementation of conservation measures, up-gradation of existing facilities and 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.

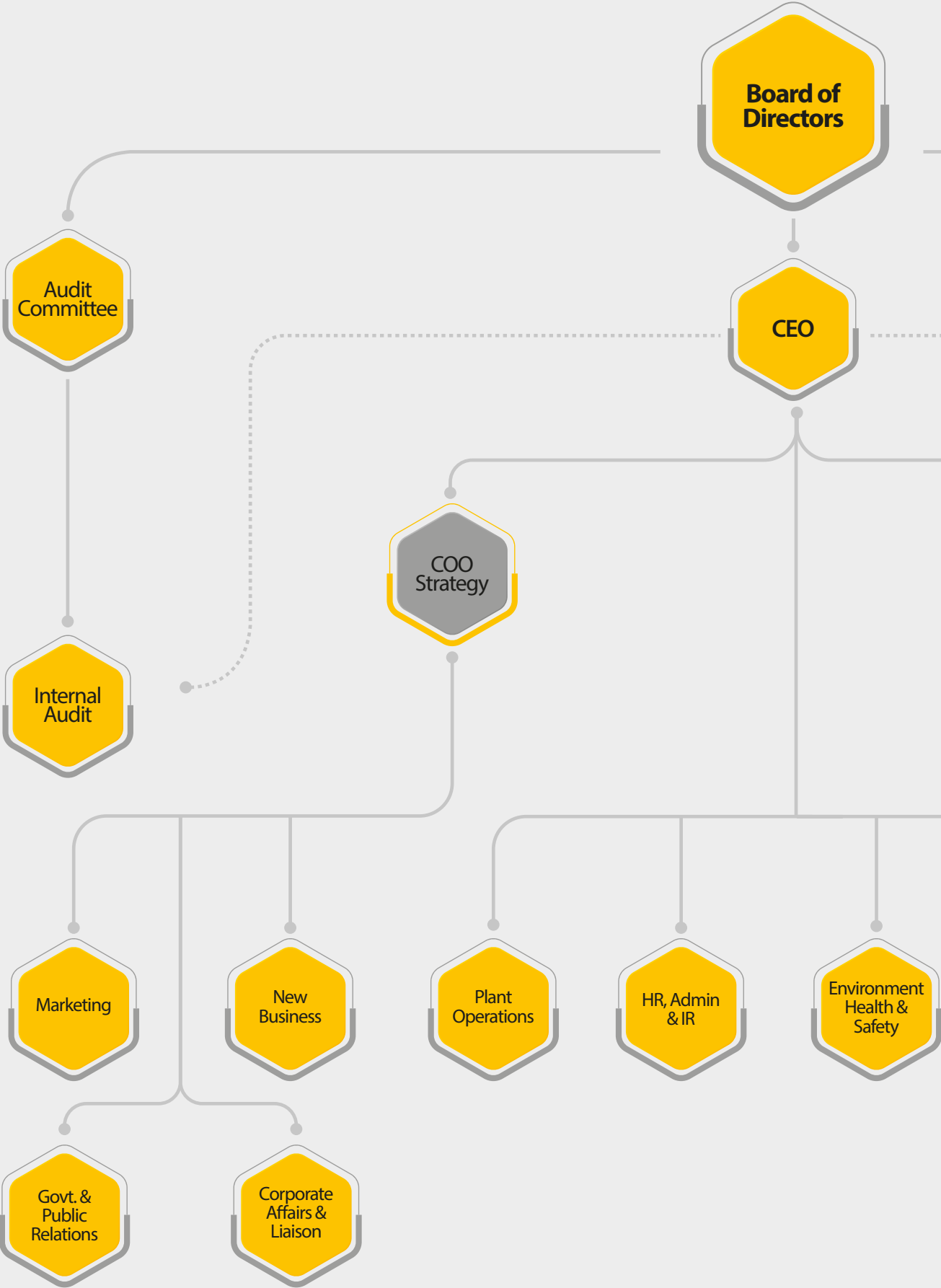
Maintaining our competitive position in the core business aligned with corporate goals, making every employee a self-assessor with defined yearly targets and transparent measuring criteria, we employ our brand name, unique organizational culture, professional excellence and financial strength diversifying 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 is a reflection of the achievement of its corporate goals through all around strategic alignment.

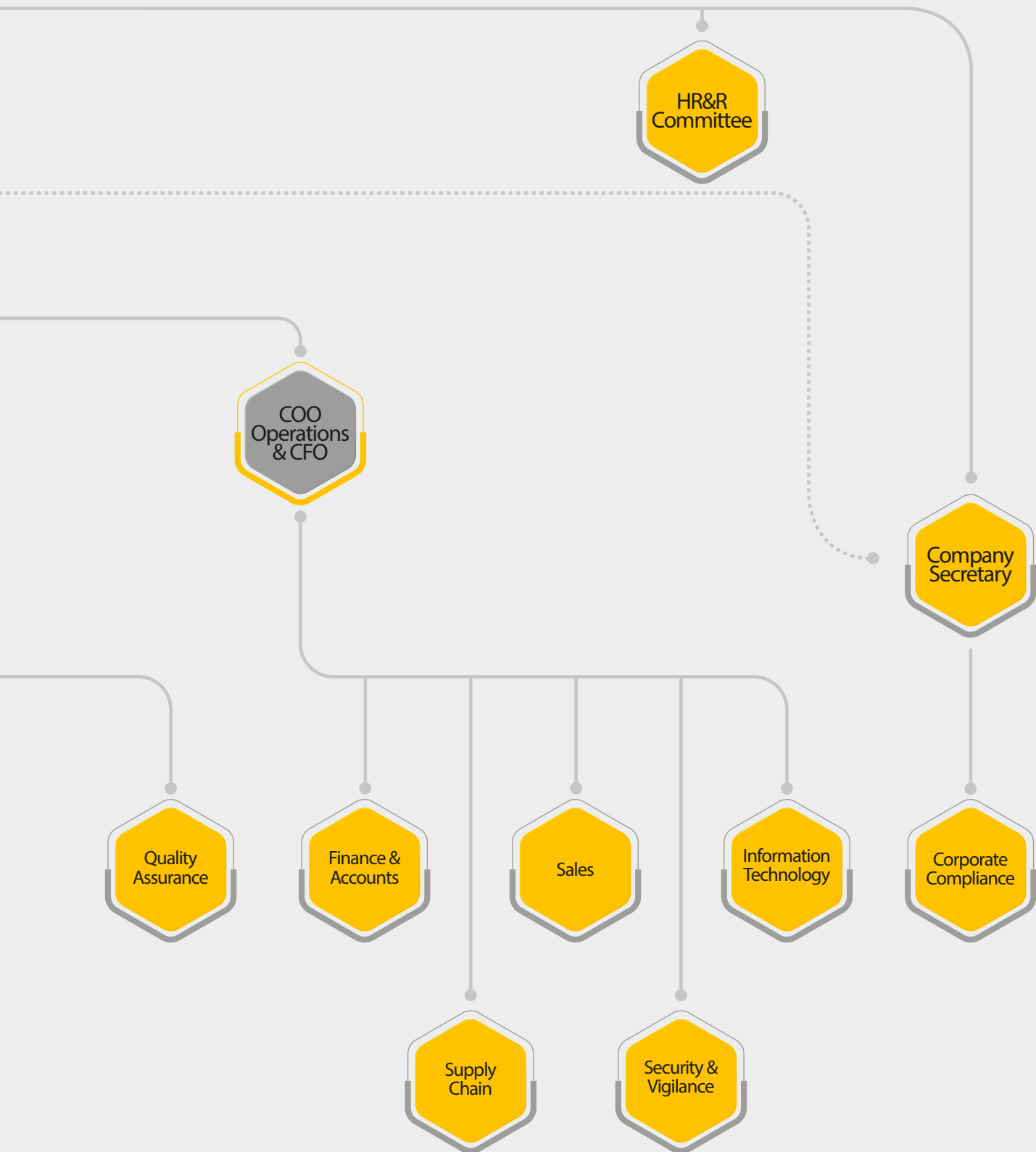
Some of the most significant strategic objectives of the Company are outlined as under:

- 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





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.



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.



Independent Director

Mr. Teizoon Kijat 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. Kijat 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. Kijat 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. Kijat is also a certified Director.



Non-Executive Director

Hailing from a family of academics and public service, Ms. Kinza brings her accounting and finance background to the Board of Amreli Steels. She is a proud mother and an active homemaker. Ms. Kinza has lent her time and knowledge as being a valued member of the Board's Audit and HR&R Committees, and has been a member of the Company's Board since it got listed on PSX.



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	: 05
b) Female	: 02
Total	: 07

Composition:

a) Number of Independent Directors	: 03
b) Number Non-executive Directors	: 03
c) Number of Executive Director	: 01

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 are two Female Non-Executive Directors (Ms. Kinza Shayan and Ms. Mariam Akberali) representing 28% 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
	11-Aug-21	04-Sep-21	23-Oct-21	27-Jan-22	03-Feb-22	21-Apr-22	
Mr. Teizoon Kijat <i>Chairman</i>	✓	✓	✓	✓	✓	✓	6/6
Mr. Zafar Ahmed Taji <i>Member</i>	✓	✓	✓	✓	✓	✓	6/6
Mr. Badar Kazmi <i>Member</i>	✓	—	✓	✓	✓	—	4/6
Ms. Kinza Shayan <i>Member</i>	✓	✓	✓	✓	✓	✓	6/6

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

Whether out-sourced or in-house, 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. It will also provide for the Company's Head of Internal Audit to act as coordinator between the outsourced firm, the Committee and the Board.

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, three (03) meetings of the HR&R Committee were held. The meetings were held in Pakistan. The attendance by each Director in the HR&R Committee meetings is as follows:

Composition	Meetings Held on			Meetings Attended
	03-July-2021	08-February-2022	04-April-2022	
Mr. Zafar Ahmed Taji <i>Chairman</i>	✓	✓	✓	3/3
Mr. Teizoon Kisat <i>Member</i>	✓	✓	✓	3/3
Mr. Shayan Akberali <i>Member</i>	✓	✓	✓	3/3
Ms. Kinza Shayan <i>Member</i>	✓	✓	✓	3/3

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	<ol style="list-style-type: none"> Analyze demand and supply Analyze movement in global and local scrap prices Analyze change in exchange rates 	As and when required	Shayan Akberali Mazhar Hussain Sheikh Fazal Ahmed	CEO Head of Sales CFO & COO - Operations
Human Resource Steering Committee	<ol style="list-style-type: none"> Oversee the Company's compensation and benefits policies generally Evaluate employee's performance and review the Company's management succession plan Hiring and disciplinary action policies Assess departmental needs of human resource Evaluate overall / function wise organograms 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 Plants & Production Head of Marketing CFO & COO - Operations
Scrap Planning Committee	<ol style="list-style-type: none"> Obtain sales forecast Plan the production maintaining the optimum inventory level 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 Plants & Production Head of Supply Chain Senior Manager P&C Manager Stores & Spares Manager Imports & Commercial Manager Inventory Management Deputy CFO CFO & COO - Operations
SAP Steering Committee	<ol style="list-style-type: none"> Design and implement SAP for new projects Discuss issues faced and their solutions Discuss possibilities of induction of new modules 	Fortnightly	Javed Asghar Muhammad Yousuf Mehmood Ashfaq Vighio Saima Naveed Salman Ali Khan Divisional Coordinators	Chief Information Officer Acting Head of HR & Admin Head of Supply Chain Senior Manager IT Controller SAP FICO
IT Steering Committee	<ol style="list-style-type: none"> Prioritize IT-enabled investment Monitor service levels of improvement Monitor IT service delivery 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 Deputy CFO Acting Head of HR & Admin Head of Supply Chain Senior Manager IT Manager Infrastructure & Support CFO & 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

The objective of having a Business Continuity and Disaster Recovery Plan and associated controls is to ensure that the organization can still accomplish its mission and it would not lose the capability to process, retrieve and protect information maintained in the event of an interruption or disaster leading to temporary or permanent loss of computer facilities.

Amreli Steels has its production environment at head office with synchronized servers at Sher Shah location connected with replications through dark fiber. A tertiary warm site is being buildup at Dhabeji. In case of any disaster, the company would be able to continue its operations smoothly. Amreli Steel is following the National Institute for Standards and Technology (NIST) Special Publication 800- 34, Contingency Planning for Information Technology Systems Disaster Recovery Plan which includes:

1. Develop the contingency planning policy statement.
2. Conduct the business impact analysis (BIA).
3. Identify preventive controls.
4. Develop recovery strategies.
5. Develop an IT contingency plan.
6. Plan testing, training and exercising.
7. Plan maintenance.

Corporate Social Responsibility

Envisioned with strengthening the economy and society, giving back has always been at the core of Amreli Steels. Driven by the same, Amreli Steels has been dedicated to serving and empowering the community by giving it a solid foundation.

Aligned with its aim, the Management directs its munificent efforts towards the areas of education, health care and other philanthropic projects in general.

1. The Hunar Foundation (THF)

Amreli Steels Chairman, 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. We continue to support THF annually through funding.

2. Namal Foundation

Namal provides quality higher education and gives equal opportunities to the marginalized youth. By working towards making higher education available for talented young generation, Namal is laying a foundation for a vibrant and growing society. Amreli Steels, aligned with its mission of empowering people, is paving the way for Namal to achieve the noble purpose. Amreli Steels is financially supporting the 10 bright students of Namal in completing their 4 years' graduation. Hence Amreli Steels is committed to ensure accessible and affordable higher education that will enable Pakistan to stand amongst the leading nations.

3. Shaukat Khanum Memorial Cancer Hospital & Research Centre, Karachi

Amreli Steels – committed to support mega philanthropic projects specifically in Karachi – 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.

4. The Citizens Foundation (TCF)

The Citizen's Foundation is considered as one of Pakistan's leading organizations in the field of education for the underprivileged. Being a strong proponent of education for the youth, Amreli Steels funded TCF's Achar Salar, Dhabeji Campus in 2010 and continues to cover its operational expenses. The campus provides classroom facilities for 142 students every year. As a recognition of the contributions, the campus had been named after the Akberali family. The organization has also installed solar panels at the TCF Akberali campus thereby reducing the school's carbon footprint and reducing the pressure on fossil fuels.

5. Women's Foundation

Amreli Steels laid the initiative of the Women's Foundation in Dhabeji, with the aim of empowering women through vocational training. A class of 50 students at a time is trained quarterly, in the sewing and stitching skills. The course extends to 3 months and towards the end, each graduate is awarded with a certificate and a personal sewing machine on needs basis.

6. Khana Ghar

Khana Ghar has been run for more than 15 years by Parveen Saeed – the lady who was dubbed as the 3 Rupee lady by the international media because she offered food to the needy persons in Karachi for PKR 3 per head. Khana Ghar serves 2 meals to more than 4000 people in Karachi every day. Amreli Steels contributes to this noble cause through funding to ensure that over 500,000 meals are served every year.

7. Sirat-ul-jannah Orphanage

The Sirat-ul-Jannah orphanage is a network of orphanages operating in Karachi, Islamabad, Muree and Khanewal with the aim of providing a home-like environment to needy orphan children. In addition to lodging and essentials, provision of educational and medical facilities is also being extended. Amreli Steels supplies food monthly for the children in the Karachi orphanage.

The Amreli Legacy – 50 Years SOLID

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 risk and taking calculated but 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 with a CAGR 20% from 2018 till 2022 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 that should be commissioned in 2023. 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 preference. 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 3700 hours of trainings 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.



A Proposition That Speaks Royalty

Shareholder's Information

Mohatta Palace - Karachi





★★★★★
50
YEARS
SOLID

Notice of the 38th Annual General Meeting

Notice is hereby given that the 38th Annual General Meeting (AGM) of the shareholders of Amreli Steels Limited (the Company) will be held on Thursday, 20 October 2022 at 10 am at our office place located at 1st floor, Deewan Centre, B-53, S.I.T.E. Karachi to transact the following businesses. The shareholders can also attend the AGM via a 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 2022, together with the Directors' and Auditors' reports thereon.
2. To appoint auditors of the Company for the financial year ending 30 June 2023 and to fix their remuneration. The Board of Directors of the Company has recommended the name of retiring auditors M/s. EY Ford Rhodes, Chartered Accountants, for their re-appointment as external auditors for the year ending 30 June 2023. M/s. EY Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for re-appointment.

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



Date: 29 September 2022
Place: Karachi

ADNAN ABDUL GHAFFAR
Company Secretary

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 Securities and Exchange Commission of Pakistan (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 38th AGM of Amreli Steels Limited" alongwith valid copy of CNIC (both sides) or passport –

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 17 October 2022.

The members can also provide their comments and questions for the agenda items of the AGM on WhatsApp Number: 0331-1201504 and email: investor-relations@amrelisteels.com

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 12 October 2022 to 20 October 2022 (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 11 October 2022 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 CDC, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. The proxy shall also produce his/her original CNIC or original passport at the time of meeting.
- iii. Members registered on Central Depository Company (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 2022 has been placed on the Company's website www.amrelisteels.com.

7. Electronic Circulation of Annual Financial Statements for the year ended 30 June 2022:

Annual Report 2022 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 and to remaining shareholders through DVDs.

Members who desire to receive annual financial statements and notices of the Company through email in future (instead of receiving through DVDs) are requested to register their email address with the CDC. Members holding physical shares shall provide their email to the Share Registrar of the Company.

The Company shall provide hard copy of the Annual Report to any member, within 7 days after the receipt of request by Company under Section 235 of the Companies Act, 2017.

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 _____.	Date: _____
_____ Name and Signature	

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.

9. Unclaimed Dividends:

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 any dividend unclaimed for more than three years may be deposited with the Federal Government under section 244(2) of the Companies Act, 2017.

10. 4th 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 (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.

11. 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
Direct No: (021) 35310187
Email: sfc@thk.com.pk

9- غیر دعویہ شدہ ڈیویڈنڈ

ایسے حصص داران جن کی جانب سے کسی بھی وجوہات کی بناء پر اب تک اپنے ڈیویڈنڈ کا دعویہ نہیں کیا گیا ہو ان سے گزارش ہے کہ اپنا ڈیویڈنڈ وصول کرنے / معلومات حاصل کرنے کیلئے ہمارے شیئرز رجسٹرار سے رابطہ کیجئے۔ برائے مہربانی نوٹ فرمائیے کہ کمپنیز ایکٹ 2017 کے سیکشن (2) 244 کے تحت ایسے ڈیویڈنڈ جن کے بارے میں تین سال سے زائد عرصے تک کوئی بھی دعویہ موصول نہ ہو کو وفاقی حکومت کے پاس جمع کروادیا جاتا ہے۔

10- ای ڈیویڈنڈ مینڈیٹ (4th Reminder) :

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت کسی بھی قسم کا قابل ادا نگی ڈیویڈنڈ صرف ممبر کے اس بینک اکاؤنٹ میں بذریعہ الیکٹرانک طریقہ کار ہی جمع کروایا جاسکتا ہے جس بینک اکاؤنٹ کی تفصیلات ممبر کی جانب سے جمع کروائی گئی ہیں۔ لہذا بذریعہ نوٹس ہذا حصص داران سے ایک مرتبہ پھر گزارش کی جاتی ہے کہ اپنے بینک اکاؤنٹ کی تفصیلات (اکاؤنٹ نمائندگی، مکمل بینک اکاؤنٹ نمبر، (یعنی 24 ہندسوں والا IBAN)، بینک کا خط و کتابت کا پتہ، بینک کا نام، فوئیو نمبر، موبائل نمبر اور ای میل ایڈریس) کی تجدید کروائیں تاکہ مستقبل میں آپ کے ڈیویڈنڈ کی ادائیگی بذریعہ الیکٹرانک ذرائع کی جاسکے۔

فزیکل حصص پاس ہونے کی صورت میں، برائے مہربانی اپنے بینک اکاؤنٹ کی تفصیلات ہمارے شیئرز رجسٹرار M/s. T.H.K. Associates (Pvt) Ltd کو فراہم کر دیجئے۔ برائے مہربانی کسی بھی زحمت سے بچنے کیلئے جلد از جلد اپنے کوائف کی تجدید کروائیے۔

11- کاغذی (Physical) حصص کی بک انٹری (Book Entry Form) کی صورت میں تبدیلی:

کمپنیز ایکٹ 2017 کے سیکشن 72 اور SECP کی جانب سے جاری کردہ ایئر نمبر CSD/ED/Misc/2016-639-640 مجریہ 26 مارچ 2021 کے تحت تمام لسٹڈ کمپنیوں کیلئے لازم ہے کہ اپنے جاری کردہ تمام فزیکل حصص کو بک انٹری کی صورت میں منتقل کر لیں۔ ان ہدایات کو مد نظر رکھتے ہوئے حصص داران سے گزارش کی جاتی ہے کہ اپنے فزیکل فوئیو / شیئرز سرٹیفکیٹس کو جلد از جلد بک انٹری کی صورت میں منتقل کروائیں۔

فزیکل صورت سے بک انٹری کی صورت میں حصص کو منتقل کروانے سے حصص داران کو کوئی لحاظ سے سہولت مل جاتی ہے جیسا کہ حصص کا محفوظ تھوٹیل میں رہنا، حصص کی خرید و فروخت کیلئے ہمہ وقت دستیاب شدہ مارکیٹ، حصص کے گم یا ضائع ہونے کے رسک سے چھکارا اور فزیکل حصص کے مقابلے میں قدرے کم رسمی کارروائی کے ذریعے حصص کی منتقلی۔ کمپنی کے حصص داران اپنے فزیکل حصص کو بک انٹری کی صورت میں منتقل کروانے کیلئے کسی بھی تعاون کیلئے کمپنی کے شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔

کسی بھی سوال / مسئلے کے حل / معلومات کے حصول کیلئے ممبران ہمارے شیئرز رجسٹرار سے درج ذیل پتے پر رابطہ کر سکتے ہیں:

M/s. T.H.K. Associates (Pvt.) Ltd.

پلاٹ نمبر C-32، جامی کمرشل، اسٹریٹ 2،

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

UAN No: (021) 111-000-322

email address: sfc@thk.com.pk

6- ویب سائٹ پر مالیاتی گوشواروں اور رپورٹس کی دستیابی:

کمپنی کی سالانہ رپورٹ برائے مالی سال 30 جون 2022 کمپنی کی ویب سائٹ www.amrelisteels.com پر دستیاب ہے۔

7- سالانہ مالیاتی گوشوارے برائے مالی سال اختتامیہ 30 جون 2022 کی بذریعہ الیکٹرانک ذرائع فراہمی:

سالانہ رپورٹ 2022 اور سالانہ اجلاس عام سے متعلق نوٹس کو بذریعہ email ان ممبران کو ارسال کیا جا رہا ہے جن کا email ایڈریس C.D.C. یا کمپنی کے شیئر رجسٹرار کے پاس موجود ہے اور بقیہ حص داران کو بذریعہ DVD ارسال کیا جا رہا ہے۔

ایسے ممبران جو کہ مستقبل میں کمپنی کی جانب سے مالیاتی دستاویزات اور نوٹس (بجائے DVD کے) بذریعہ email وصول کرنے کے خواہشمند ہوں ان سے گزارش ہے کہ C.D.C. کے پاس اپنا email ایڈریس رجسٹر کروالیں۔ ایسے ممبران جن کے پاس کاغذی صورت میں حصص موجود ہیں وہ اپنا email ایڈریس کمپنی رجسٹرار کے پاس رجسٹر کروادیں۔

زیر تفتیش سیکشن 235 بابت کمپنیز ایکٹ 2017، کمپنی کی جانب سے ایسے کسی بھی ممبر کو درخواست دینے کے ساتھ ایام کے اندر سالانہ رپورٹ کی مطبوعہ نقل فراہم کر دی جائے گی جن کی جانب سے اس سلسلے میں باقاعدہ درخواست کی جائے۔

8- ویڈیو کانفرنس کی سہولت کے حصول کیلئے رضامندی:

کمپنیز ایکٹ 2017 کے سیکشن (b)(1) 134 کے تحت اگر کراچی کے علاوہ کسی اور جغرافیائی محل وقوع پر کمپنی کے اوسطاً 10% یا اس سے زائد حصص داران کی جانب سے تحریری درخواست کی جائے کہ وہ سالانہ اجلاس عام میں بذریعہ ویڈیو کانفرنس شرکت کے خواہاں ہیں تو کمپنی کی جانب سے اس سہولت کا اہتمام کیا جاسکتا ہے بشرطیکہ یہ درخواست اجلاس منعقد ہونے سے کم از کم 10 دن پہلے موصول ہو۔

اگر آپ اس سہولت کے خواہشمند ہیں تو آپ سے گزارش ہے کہ درج ذیل معلومات کمپنی کے رجسٹرڈ دفتر میں جمع کروادیں:

_____ میں / ہم	_____ ساکن / ساکنان	_____ امریلی اسٹیلز لمیٹڈ
_____ کے حصص داران ہونے کی حیثیت سے، حامل / حاملین	_____ عام حصص بحوالہ رجسٹرڈ فولیو یا سی ڈی سی اکاؤنٹ نمبر	_____
_____ بذریعہ ہذا مقام	_____ میں ویڈیو کانفرنس کی سہولت سے فائدہ اٹھانے کے خواہشمند ہیں۔	_____
_____ نام و دستخط ممبر (ممبران)	_____ تاریخ	_____

کمپنی کی جانب سے سالانہ اجلاس عام کے مقام کے بارے میں ممبران کو اجلاس کے انعقاد سے کم از کم پانچ (5) دن پہلے اطلاع فراہم کر دی جائے گی اور یہ بھی بتا دیا جائے گا کہ اس مقام تک رسائی کس طرح ممکن ہو سکتی ہے۔

ویڈیو لنک اور آن لائن رابطے سے متعلق معلومات ان ممبران/پراکسیز کو فراہم کر دی جائیں گی جن کی جانب سے مذکورہ بالا معلومات بمعہ email ایڈریس کمپنی کے مندرجہ بالا email ایڈریس پر مورخہ 17 اکتوبر 2022 دفتری اوقات ختم ہونے سے پہلے موصول ہو جائیں گی۔

اگر ممبران چاہیں تو سالانہ اجلاس عام کے ایجنڈے پر موجود امور سے متعلق اپنی آراء سے واٹس ایپ نمبر 0331-1201504 اور email investor-relationships@amrelisteels.com پر بھی آگاہ کر سکتے ہیں اور انہی رابطوں پر اپنے سوالات بھی بھیج سکتے ہیں۔

2- حصص منتقلی کھاتوں کی بندش:

کمپنی کے حصص منتقلی کھاتے 12 اکتوبر 2022 سے 20 اکتوبر 2022 تک بند رہیں گے (دونوں ایام مذکورہ بھی اس میں شامل ہیں)۔ ہمارے رجسٹرار M/s. T.H.K Associates (Pvt) Ltd، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، ڈی ایچ ایف VII، کراچی-75500، پاکستان کو دفتری اوقات کار کے دوران 11 اکتوبر 2022 تک موصول ہونے والی شیئرز کی منتقلی کی درخواستوں کو تسلیم کیا جائے گا اور وہ ممبران سالانہ اجلاس عام میں شرکت کے لئے اہل ہوں گے۔

3- پراکسیز کی نامزدگی:

- کمپنی کا ایک ایسا ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کا استحقاق رکھتا ہو اس بات کا مجاز ہوگا کہ اپنی جگہ کسی اور ممبر کو اجلاس میں شرکت اور حق رائے دہی کیلئے بطور پراکسی نامزد کر دے اور نامزد کردہ شخص بھی اجلاس میں شرکت کرنے، رائے دینے، تقریر کرنے اور حق رائے دہی استعمال کرنے کا مجاز ہوگا۔
- پراکسی کا انتخاب کرنے والی دستاویز اور پاور آف اٹارنی یا کوئی اور مجاز اتھارٹی، جس کے تحت اس پر دستخط کئے جائیں یا پاور آف اٹارنی کی نوٹری شدہ مصدقہ نقل بھی کمپنی کے رجسٹرڈ شدہ دفتر میں اجلاس عام سے کم از کم 48 گھنٹے پہلے جمع کروانا لازم ہے۔ پراکسی فارم ملفوف ہے۔
- پراکسی فارم پر دو گواہوں کے دستخط ہونا لازم ہیں جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر بھی فارم پر لکھے جائیں گے۔
- اگر ممبر کوئی فرد واحد ہے تو اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر کو ممبر اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بمعہ پراکسی فارم جمع کروانا ہوگی۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونہ دستخط پراکسی فارم کے ساتھ جمع کروانا ضروری ہے۔

4- سالانہ اجلاس عام میں شرکت:

- اگر ممبر کوئی فرد واحد ہو تو، خواہ اس کے پاس فزیکل (physical) حصص ہوں یا C.D.C. میں اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر ہو کو اپنی شناخت ثابت کرنے کیلئے اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ دکھانا ہوگا۔
- پراکسی کو بھی اپنی شناخت ثابت کرنے کیلئے اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔
- ایسے ممبران جو سینٹرل ڈیپازٹری کمپنی (CDC) کے پاس رجسٹرڈ ہیں سے گزارش ہے کہ C.D.C. سے متعلق اپنے کوائف ہمراہ ضرور لائیں۔
- اگر ممبر کوئی کارپوریٹ ادارہ ہو تو بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی، اور نامزد شدہ شخص کے نمونہ دستخط بوقت اجلاس دکھانا ہوں گے (علاوہ یہ کہ یہ دستاویزات اس سے قبل جمع کروائی جا چکی ہوں)۔

5- حصص داران کے پتے میں تبدیلی سے متعلق اطلاع:

کمپنی کے حصص داران سے گزارش ہے کہ اگر ان کے پتے میں کسی بھی قسم کی کوئی تبدیلی واقع ہوئی ہے تو اس تبدیلی کو فوری طور پر ہمارے رجسٹرار M/s. T.H.K. Associates (Pvt.) Ltd کو مطلع کریں۔

اطلاع برائے 38 ویں سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ امریلی اسٹیلز لمیٹڈ (کمپنی) کے حصص داران کا 38 واں سالانہ اجلاس عام بروز جمعرات مورخہ 20 اکتوبر 2022 صبح 10:00 بجے کمپنی کے دفتر بمقام پہلی منزل دیوان سینٹر، S.I.T.E.B-53 کراچی میں مندرجہ ذیل امور کی منظوری کے لئے منعقد ہوگا۔ حصص داران اس اجلاس میں بذریعہ ویڈیو لنک (Video Link) بھی شرکت کر سکتے ہیں۔

عمومی امور:

1- کمپنی کے آڈٹ شدہ مالیاتی گوشوارے بابت مالی سال اختتامیہ 30 جون 2022 اور ان کے بارے میں ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی منظوری۔

2- آئندہ مالی سال اختتامیہ 30 جون 2023 کیلئے کمپنی کے آڈیٹرز کا انتخاب کرنا اور ان کے معاوضے کی منظوری۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے تجویز دی گئی ہے کہ ریٹائر ہونے والے آڈیٹرز M/s. EY Ford Rhodes, Chartered Accountants کو آئندہ مالی سال اختتامیہ 30 جون 2023 تک ایک مرتبہ پھر کمپنی کے بیرونی آڈیٹرز کے بطور تعینات کیا جائے۔ M/s. EY Ford Rhodes, Chartered Accountants کی جانب سے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات پیش کی گئی ہیں۔

اس کے علاوہ دیگر امور:

3- ان کے علاوہ ایسے دیگر امور کو زیر غور لانا جنہیں پیش کرنے کی چیئرمین کی جانب سے اجازت دی جائے۔

بحکم بورڈ



عدنان عبدالغفار

کمپنی سیکریٹری

29 ستمبر 2022

کراچی

نوٹس:

1- سالانہ اجلاس عام میں بذریعہ ویڈیو لنک (Video Link) شرکت:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ سرکلرز کے مطابق کمپنی کی جانب سے حصص داران کو یہ سہولت بھی فراہم کی جاتی ہے کہ وہ اجلاس میں بذریعہ ویڈیو لنک شرکت کر سکیں۔

سالانہ اجلاس عام میں شرکت کے خواہش مند ممبران/پراکسیز سے گزارش ہے کہ investor-relations@amrelisteels.com پر بعنوان "امریلی اسٹیلز لمیٹڈ کے 38 ویں سالانہ اجلاس عام میں رجسٹریشن" درج ذیل معلومات فراہم کر دیں اور اس کے ساتھ ہی کارآمد قومی شناختی کارڈ کی دونوں اطراف سے نقل یا پاسپورٹ کی نقل بھی ساتھ منسلک کر دیں۔

نام حصص دار	فولیو/ C.D.C. نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	موبائل فون نمبر	رجسٹرڈ ای میل (email) ایڈریس

Pattern of Shareholding with Additional Information

As at 30 June 2022

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
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Directors and their Spouse(s) and Minor Children

Abbas Akberali	2	92,549,482	31.16
Shayan Akberali	1	35,694,840	12.02
Mariam Akberali	2	37,733,212	12.70
Kinza Shayan	1	1,746,383	0.59
Teizoon Kismet	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
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Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds

Banks, DFI & NBF	7	7,078,500	2.38
Insurance Companies	4	5,878,500	1.98
Modaraba	1	21,500	0.01

Mutual Funds	18	8,489,500	2.86
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General Public

Local	9,919	39,909,923	13.44
Foreign	411	3,971,957	1.34

Others	93	8,041,200	2.71
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Foreign Companies	1	150,000	0.05
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Total	10,464	297,011,427	100.00
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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	35,694,840	12.02

Pattern of Shareholding

As at 30 June 2022

Number of Shareholders	Number of Shareholders		Shares Held	Percentage
	From	To		
403	1	100	14,911	0.0050
5257	101	500	2,587,403	0.8711
1698	501	1,000	1,673,410	0.5634
1970	1,001	5,000	5,290,712	1.7813
450	5,001	10,000	3,671,980	1.2363
165	10,001	15,000	2,142,224	0.7213
126	15,001	20,000	2,297,879	0.7737
81	20,001	25,000	1,885,304	0.6348
41	25,001	30,000	1,170,846	0.3942
21	30,001	35,000	697,600	0.2349
18	35,001	40,000	686,911	0.2313
22	40,001	45,000	946,500	0.3187
33	45,001	50,000	1,636,600	0.5510
9	50,001	55,000	482,500	0.1625
10	55,001	60,000	589,000	0.1983
7	60,001	65,000	444,000	0.1495
5	65,001	70,000	339,200	0.1142
9	70,001	75,000	667,500	0.2247
5	75,001	80,000	385,400	0.1298
4	80,001	85,000	331,000	0.1114
7	85,001	90,000	611,500	0.2059
3	90,001	95,000	285,000	0.0960
15	95,001	100,000	1,495,500	0.5035
9	100,001	105,000	933,000	0.3141
3	105,001	110,000	324,500	0.1093
1	110,001	115,000	114,000	0.0384
2	115,001	120,000	237,000	0.0798
5	120,001	125,000	614,500	0.2069
4	125,001	130,000	513,500	0.1729
3	130,001	135,000	399,000	0.1343
2	135,001	140,000	280,000	0.0943
3	140,001	145,000	434,000	0.1461
5	145,001	150,000	747,500	0.2517
1	150,001	155,000	155,000	0.0522
1	170,001	175,000	175,000	0.0589
1	175,001	180,000	176,000	0.0593
2	180,001	185,000	366,000	0.1232
2	185,001	190,000	380,000	0.1279
6	195,001	200,000	1,196,000	0.4027
1	200,001	205,000	205,000	0.0690
3	205,001	210,000	625,500	0.2106
1	215,001	220,000	220,000	0.0741
1	220,001	225,000	225,000	0.0758
2	225,001	230,000	456,500	0.1537

Pattern of Shareholding

As at 30 June 2022

Number of Shareholders	Number of Shareholders From	To	Shares Held	Percentage
1	240,001	245,000	244,000	0.0822
5	245,001	250,000	1,250,000	0.4209
1	250,001	255,000	255,000	0.0859
1	260,001	265,000	263,200	0.0886
2	280,001	285,000	568,000	0.1912
1	290,001	295,000	290,500	0.0978
1	295,001	300,000	300,000	0.1010
2	305,001	310,000	614,500	0.2069
1	310,001	315,000	315,000	0.1061
1	320,001	325,000	321,000	0.1081
2	335,001	340,000	678,500	0.2284
1	340,001	345,000	341,500	0.1150
1	345,001	350,000	350,000	0.1178
2	395,001	400,000	800,000	0.2694
1	405,001	410,000	408,000	0.1374
1	430,001	435,000	435,000	0.1465
1	455,001	460,000	457,000	0.1539
1	500,001	505,000	500,500	0.1685
1	530,001	535,000	534,000	0.1798
1	555,001	560,000	560,000	0.1885
1	595,001	600,000	600,000	0.2020
1	605,001	610,000	606,000	0.2040
1	685,001	690,000	689,500	0.2321
1	715,001	720,000	718,000	0.2417
1	785,001	790,000	787,500	0.2651
1	835,001	840,000	836,500	0.2816
1	975,001	980,000	979,500	0.3298
1	1,250,001	1,255,000	1,254,759	0.4225
1	1,350,001	1,355,000	1,354,500	0.4560
1	1,745,001	1,750,000	1,746,383	0.5880
1	1,750,001	1,755,000	1,753,500	0.5904
1	1,925,001	1,930,000	1,928,500	0.6493
1	2,075,001	2,080,000	2,075,500	0.6988
1	3,495,001	3,500,000	3,500,000	1.1784
1	3,950,001	3,955,000	3,952,500	1.3308
1	5,175,001	5,180,000	5,178,500	1.7435
1	35,690,001	35,695,000	35,694,840	12.0180
1	37,730,001	37,735,000	37,732,212	12.7040
1	55,730,001	55,735,000	55,732,930	18.7646
1	91,290,001	91,295,000	91,294,723	30.7378
	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 37th Annual General Meeting of the Company held on 21 October 2021. Besides approval of annual audited accounts for the year ended 30 June 2021 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: <ul style="list-style-type: none"> • 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. 13.84 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 and Analysts' Briefing Sessions held during the Year 2021-22

In addition of conducting mandatory Corporate Briefing Session (CBS), the Company conducted three Analyst Briefing Sessions during the financial year under review through virtual means for better participation from analyst community by giving fair advance intimation to shareholders and analysts' community. Chief Financial Officer and Deputy Chief Financial Officer of the Company gave presentation on financial and operational details of the Company during Corporate/Analyst Briefing Sessions pertaining to the respective periods covered. Presentations were also posted on the Company's website after the Corporate/Analyst Briefing Sessions, 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>).

Following Corporate/Analyst Briefing Sessions were held during the financial year 2021-22 –

1. Corporate Briefing Session for the year ended 30 June 2021 held on 12 November 2021;
2. Analysts' Briefing for the period ended 30 September 2021 held on 26 October 2021;
3. Analysts' Briefing for the period ended 31 December 2021 held on 03 February 2022;
4. Analysts' Briefing for the period ended 31 March 2022 held on 21 April 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 in place a robust liquidity management system with a dedicated and experienced team to manage its liquidity position and debt profile. The treasury team actively manages the working capital requirements, plans, and projects the cash flow needs of the Company and provides a defense against any liquidity risk.

The working capital requirements of the Company are primarily met through the internal generation of funds which includes sales receipts from customers, and through external short-term financing. Special controls are placed on customer receipts through vigorous follow-ups of receivables, aging analysis, revisiting the credit limits, and securing advance and cash sales. The Company also has in place a dedicated credit administration and monitoring department with experienced staff to secure its trade debts. To avoid any unusual cash blockages there is a robust communication and coordination mechanism in place between the treasury, sale, inventory management, and production departments to maintain an optimum level of inventories at all times.

During the three quarters of the year under consideration, the economic indicators of the country remained positive giving acceleration to both demand and consumption with targeted GDP growth of 5%. However, the fourth quarter went in a complete opposite direction due to international tension after Russia invaded Ukraine, local regime change and resultant political instability, huge and unprecedented fuel charges adjustments for May-22 and June-22 by K-Electric running into hundreds of millions of rupees and last but not the least, the super tax at 10% ate away a big chunk of the profitability. All of these were back-to-back events that adversely impacted the economy in terms of declining forex reserves, sharp rupee devaluation, rising current account deficit, energy and non-energy all-time high inflation. However, due to the proactive approach and prudent measures adopted by the Company, it was able to effectively manage the cash flows by improved collection and timely arrangement of additional working capital lines, which ensured the continuity of the business cycle. The Company enjoys strong business relationships with banks and other lending institutions throughout its uncrippled credit history.

The Company almost moved the same quantities as it did last financial year and posted a profit of Rs. 1,325 million when compared to the similar period last year. All key financial ratios such as current, earnings before interest, tax, depreciation, and amortization (EBITDA), debt service coverage, and interest cover slightly improved as compared to the preceding year despite the huge uncontrollable cost of retrospective Fuel Charges Adjustment and Super tax in the fourth quarter.

During the year, the Company spent Rs. 2,158 million on capital expenditure, with the prime objective of reducing the cost of production and increasing production efficiencies. This will result in strengthening the Company's financial position and performance in the ensuing years. These measures should help in giving good and healthy returns on investment to the shareholders.

Major Events During the Financial Year 2021-2022

AUGUST 2021

Board of Directors' Meeting was held on 13 August 2021. The Board approved the annual audited financial statements of the Company for the year ended 30 June 2021 and the Directors' Report thereon.

OCTOBER 2021

37th Annual General Meeting (AGM) of the Company was held on 21 October 2021 for approval of annual audited financial statements of the Company for the year ended 30 June 2021.

Board of Directors' Meeting was held on 26 October 2021. The Board approved the condensed interim financial statements for the first quarter ended 30 September 2021 along with the Directors' Report thereon.

NOVEMBER 2021

The mandatory Corporate Briefing Session (CBS) for the year ended 30 June 2021 was held on 12 November 2021.

FEBRUARY 2022

Board of Directors' Meeting was held on 03 February 2022. The Board approved the condensed interim financial statements of the Company for the half year ended 31 December 2021 along with the Directors' Report thereon.

APRIL 2022

Board of Directors' Meeting was held on 21 April 2022. The Board approved the condensed interim financial statements of the Company for the third quarter ended 31 March 2022 along with the Directors' Report thereon.

A Belief That Narrates Discipline

Corporate Governance

Badshahi Mosque - Lahore





★★★★★
50
YEARS
SOLID

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, Notifications 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 Significant 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-defined 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 financial markets, regulatory levies and taxes, external factors affecting the marketability and profit 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 financial 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.

Tentative Dates for the Financial Year 2022-23

- **Board Meeting**

For the First Quarter ending 30 September 2022
Last week of October 2022

- **Corporate Briefing Session**

For the year ended 30 June 2022
Second Week of November 2022

- **Board Meeting**

For the Half Year ending 31 December 2022
Second week of February 2023

- **Board Meeting**

For the Third Quarter ending 31 March 2023
Last week of April 2023

- **Board Meeting**

For the Year ending 30 June 2023
Last week of August 2023

- **Annual General Meeting**

For the Year ending 30 June 2023
Third week of October 2023

Risk Management Governance

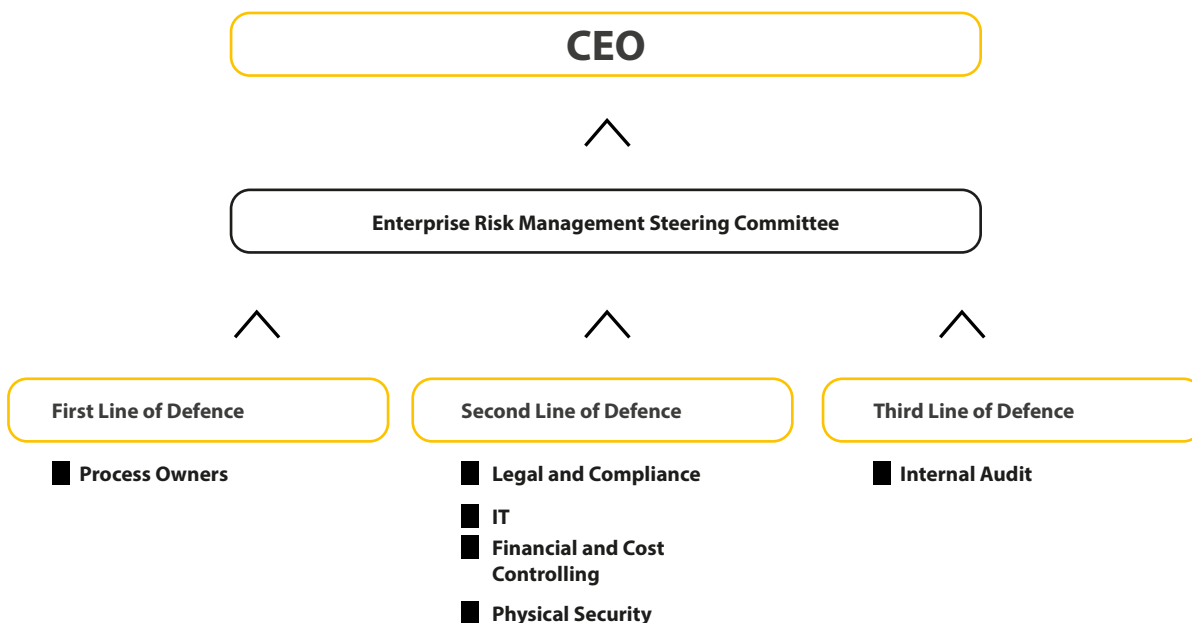


Risk Management Process

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 Defence approach to risk management. Risks are owned and managed within company and reviewed at least annually.

Step 1 Risk Identification	Step 2 Risk Assessment	Step 3 Risk Response	Step 4 Risk Reporting and Monitoring
<ul style="list-style-type: none"> • Consider key business objectives • Identify principal risks • Identify key controls 	<ul style="list-style-type: none"> • Assess controls • Estimate likelihood, And impact • Consider legal, reputation and conduct exposure 	<ul style="list-style-type: none"> • Accept or remediate current risk and control environment • Determine corrective action if needed 	<ul style="list-style-type: none"> • Business Unit, Process Level, ERM steering committee and Audit Committee

Three Lines of Defence



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



Human Resource



Investor



Environment



Customers



Business operations













Business partners



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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

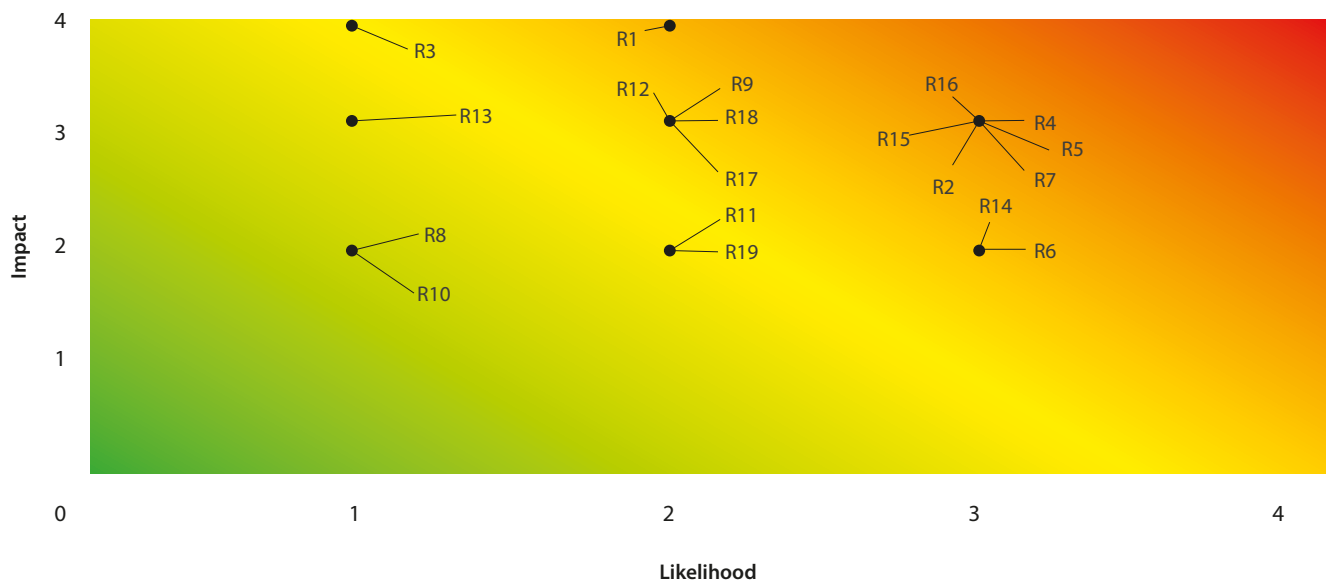
Sr. No	Risk	Description	Source of Risk	Mitigation Strategy and Opportunities	Impacted Capital	Assessment
Financial Risk						
				<ul style="list-style-type: none"> keep the availability of financing option. The Company negotiates its terms with suppliers and customers to reduce working capital. 		
7.	Counter-Party risk	Risk of default in payments by credit customers.	External	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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						
				<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 part 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	<ul style="list-style-type: none"> At Dhabaji 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 Dhabaji 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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



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.

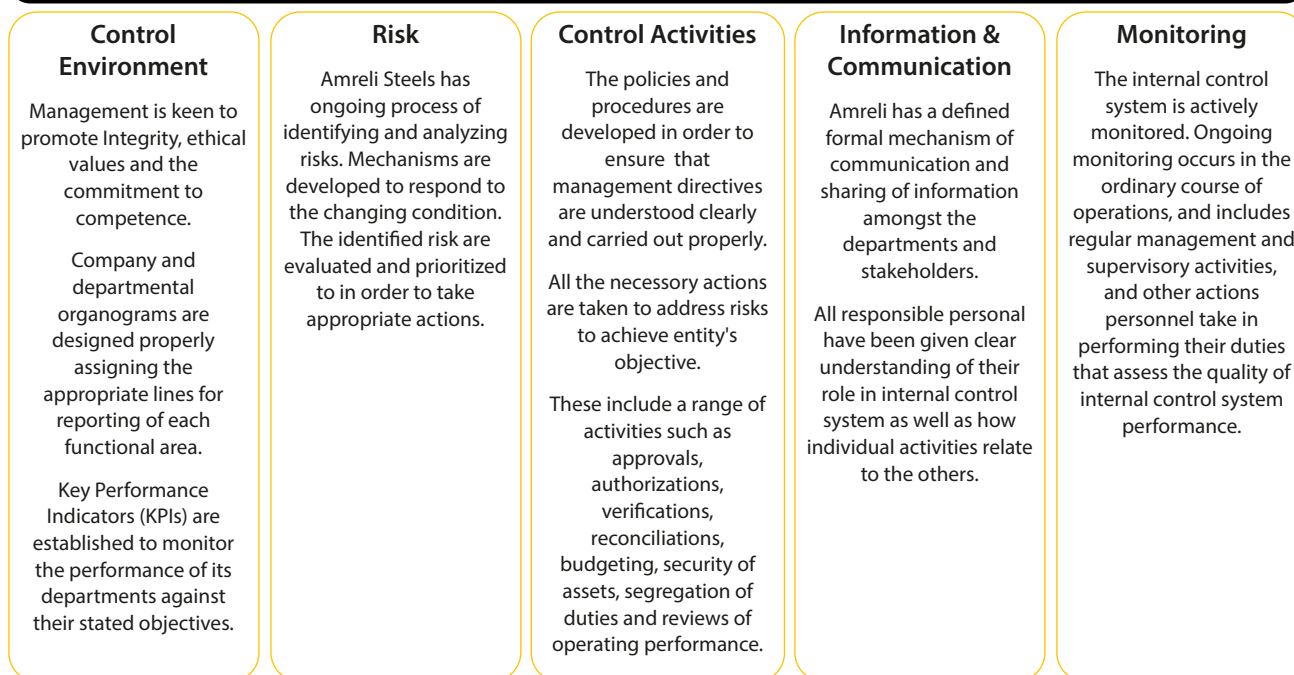
The systems, standard operating procedures, and controls are implemented by the executive leadership team and are reviewed by the internal audit team whose findings and recommendations are placed before the Audit Committee.

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





EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O Box, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007 - 11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Chartered Accountants

Place: Karachi

Date: 27 September 2022

UDIN Number: CR202210120DCIqamtrj

Statement of Compliance with the Listed Companies (Code Of Corporate Governance) Regulations, 2019 for the Year Ended 30 June 2022

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.

- The total number of Directors of the Company are 07 as per the following:

Male	5
Female	2

- The composition of Board is as follows:

Independent Directors	Mr. Badar Kazmi
	Mr. Teizoon Kijat
	Mr. Zafar Ahmed Taji
Non-Executive Director	Mr. Abbas Akberali
Female (Non-Executive Directors)	Ms. Kinza Shayan
	Ms. Mariam Akberali
Executive Director	Mr. Shayan Akberali

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
- 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.
- 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.
- 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.
- 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.
- The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
- Out of the seven, six 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. The remaining one Director will acquire the required training during ensuing year. During the year, the Company has arranged a Directors' Orientation Session which was also attended by senior executives of the Company.
- The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed following committees comprising of members given below:

	Name of Committee Members	Category
a. Audit Committee	Mr. Badar Kazmi	Independent Director
	Ms. Kinza Shayan	Non-Executive Director
	Mr. Teizoon Kijat - Chairman	Independent Director
	Mr. Zafar Ahmed Taji	Independent Director
b. Human Resource and Remuneration Committee	Ms. Kinza Shayan	Non-Executive Director
	Mr. Shayan Akberali	Executive Director
	Mr. Teizoon Kijat	Independent Director
	Mr. Zafar Ahmed Taji - Chairman	Independent Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The number of meetings of the committees held during the year are as under:
 - a) Audit Committee – Six meetings
 - b) Human Resource and Remuneration Committee – Three meetings
15. The Board has outsourced the internal audit function to M/s. BDO Ebrahim & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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.

For & on behalf of Board of Directors



Abbas Akberali
Chairman
18 August 2022
Karachi

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.

Role of Chairman of the Board

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 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. He maintains highest moral, ethical and professional values and good governance throughout the Company.

Chairman's Review

Dear Shareholders,

It is my pleasure to present the annual audited financial statements and my review on the performance of your Company for the outgoing financial year 2022. While the fiscal year started strong, the mounting pressure of global inflation and current account deficit dragged the economy down. However, it was the political upheaval, resultant inaction and front loaded IMF conditions that really broke the economy. I am proud to announce that even amidst such a perfect storm, your Company was able to flourish and report record breaking revenue and sales figures. Moreover, despite the large burden of taxes levied by the government this year, profitability fared well with an EPS of Rs.4.46. The credit for such performance goes to the management and every single Amrelian who has contributed to our mission and targets.

The current year will prove to be an extremely challenging environment for businesses across Pakistan. The fury of nature has been felt across the country, submerging almost one-third of the country underwater, claiming many lives, leaving millions of people homeless and destroying farmlands and livestock. The implication of this will be far reaching in terms of inflation, import bill, displacement and poverty. Moreover, IMF conditions have resulted in an unprecedented increase in cost of doing business, resulting in high fuel/energy prices and increased taxation measures. As such, it is expected that inflation will remain high and so will interest rates.

The silver lining for the industry and economy is that there will be a need for reconstruction after the damage the floods have done to the nation's infrastructure. However, limited fiscal space for public spending, low disposable income and high inflation will create a drag on the reconstruction impetus.

Given the situation of a contracting economy, your Company aims to hold strong, consolidate its position in the market and achieve profitability despite all the hurdles. Your Company's brand is getting stronger by the day and remains the brand of choice for people, professionals and institutions across the construction industry.

I praise the Board and the Management of your Company for developing strategies to cope with the changing times that we are living in. The management has been taking excellent initiatives that involve investing in the latest technology to bring in operational efficiencies and reduce cost. Moreover, your Company will enter the non-ferrous industry this year to export aluminum products, aiming to help the country boost exports in its bid to maintain a healthy current account. The introduction of green energy to reduce the Company's carbon footprint and operating costs has also been a focus area for the management.

In pursuance of the requirements of the applicable corporate laws, the Board has established a formal & effective mechanism for an annual performance evaluation of the Board, its Members and Committees. Accordingly, the annual self-assessment was carried out for the financial year ended 30 June 2022 whereby feedback from each Director was obtained and based on consolidated results, the performance rating of the Board, Individual Directors & Committees has been ranked 'Satisfactory'.

This assessment was based on an evaluation of integral components including vision, mission and values, engagement in strategic planning and direction; monitoring organization's business activities & financial resource management; regulatory compliances, and oversight monitoring of the Company's performance towards achievement of its objectives. The Board of your Company comprises of highly qualified Independent and Non-Executive Directors from diversified backgrounds who are equally involved in important decisions.

The Board and its Committees meet frequently enough to adequately discharge their respective responsibilities. To ensure high standards of Corporate Governance, the Board Members comply with all applicable laws and regulations and ensure best governance practices for transparency and protection of all shareholders of the Company especially the minority shareholders.

My sincere gratitude to the Board Members for providing constant guidance to the Senior Management. On behalf of the Board Members, I would like to thank our Management Team and highly motivated Amrelians for their contribution and persistent support in strengthening the Company with each passing day.



Abbas Akberali
Chairman
18 August 2022



Abbas Akberali

برآمدات میں اضافہ کیا جاسکے اور کمپنی کی جانب سے کرنٹ اکاؤنٹ خسارے میں کمی لانے کیلئے کردار ادا کیا جائے۔ کمپنی کے کاربن فٹ پرنٹ (carbon footprint) اور پیداواری لاگت میں کمی لانے کیلئے ماحول دوست ٹیکنالوجی کے استعمال پر بھی کمپنی کی انتظامیہ کی توجہ مرکوز ہے۔

مروجہ کارپوریٹ قوانین کے تناظر میں بورڈ کی جانب سے ایک باقاعدہ اور مؤثر نظام وضع کیا گیا ہے جس کے تحت بورڈ، اس کے ممبران اور بورڈ کی کمیٹیوں کی کارکردگی کا باقاعدہ سالانہ جائزہ لیا جاتا ہے۔ لہذا مالی سال اختتامیہ 30 جون 2022 کے دوران بھی کارکردگی کی خود احتسابی کی گئی جس کے تحت ہر ایک ڈائریکٹر سے ان کے رائے طلب کی گئی اور تمام آراء کو یکجا کرنے کے بعد نتیجہ اخذ کیا گیا کہ مجموعی طور پر بورڈ، اس کے ممبران اور بورڈ کی کمیٹیوں کی کارکردگی تسلی بخش رہی۔

اس جائزے میں تمام لازمی امور کو شامل کیا گیا جیسا کہ کمپنی کا وژن، مشن، اقدار اور حکمت عملی مرتب کرنے کیلئے کی گئی کاوشیں: کمپنی کے کاروبار اور مالیاتی بندوبست کے معاملات پر نظر رکھنا، ریگولیٹری قواعد کی پاسداری کو ممکن بنانا، اور مجموعی طور پر کمپنی کے تمام افعال پر نظر رکھنا تاکہ کمپنی اپنے اہداف کے حصول کیلئے آگے بڑھتی رہے۔ آپ کی کمپنی کے بورڈ میں قابل، غیر جانبدار اور غیر انتظامی ڈائریکٹرز بھی شامل ہیں۔ تمام ڈائریکٹرز مختلف شعبہ ہائے زندگی سے وابستہ ہیں اور تمام اہم فیصلہ سازی میں ان کی شمولیت ہوتی ہے۔

بورڈ اور اسکی کمیٹیوں کے اجلاس مناسب تعداد میں منعقد کئے جاتے ہیں تاکہ وہ اپنے فرائض منصبی بخوبی انجام دے سکیں۔ اعلیٰ معیار کی کارپوریٹ گورننس پر عمل پیرا ہونے کیلئے بورڈ ممبران کی جانب سے تمام مروجہ قوانین اور ضوابط پر عمل کو یقینی بنایا جاتا ہے تاکہ شفافیت کو یقینی بنایا جاسکے اور حصص داران، بالخصوص اقلیتی حصص داران، کے حقوق کی حفاظت کی جاسکے۔

میں بورڈ ممبران کا تہہ دل سے شکر گزار ہوں کہ ان کی رہنمائی ہمیشہ سینئر مینجمنٹ کے شامل حال رہی۔ بورڈ ممبران کی جانب سے، میں کمپنی کی مینجمنٹ ٹیم اور انتہائی حوصلہ مند ملازمین کا بھی شکر گزار ہوں جن کی انتھک محنت اور لگن کی وجہ سے ہرگزرتے دن کمپنی مضبوط سے مضبوط تر ہوتی چلی جا رہی ہے۔



عباس اکبر علی

چیئرمین

18 اگست 2022

میں انتہائی مسرت کے ساتھ آپ کی کمپنی کی سالانہ آڈٹ شدہ مالیاتی دستاویزات برائے گزشتہ مالی سال 2022 اور کمپنی کی کارکردگی کے بارے میں اپنا جائزہ آپ کی خدمت میں پیش کر رہا ہوں۔ حالانکہ سال کا آغاز بہت اچھے انداز سے ہوا لیکن بعد ازاں عالمی سطح پر بڑھتے ہوئے افراط زر کے دباؤ اور کرنٹ اکاؤنٹ کے خسارے کی وجہ سے معیشت زوال کا شکار ہونے لگی۔ تاہم مسائل کی اصل جڑ سیاسی عدم استحکام اور اس سلسلے میں حل کی جانب بڑھنے کیلئے کسی اقدام سے گریز اور آئی ایم ایف کی جانب سے رکھی جانے والی کڑی شرائط وہ وجوہات تھیں جن کے باعث ہماری معیشت کی کمزورگی گئی۔ مجھے یہ بات بتاتے ہوئے فخر محسوس ہو رہا ہے کہ شدید ہیجان کے اس دور میں بھی آپ کی کمپنی ترقی کی منازل طے کرتی رہی اور کمپنی کی جانب سے ریکارڈ ٹوڑ آمدن اور فروخت پیش کی گئی۔ مزید برآں، حکومت کی جانب سے اس سال ٹیکسوں کا بے تحاشہ بوجھ ڈالنے کے باوجود کمپنی کی منفعت حوصلہ افزاء رہی اور کمپنی کی آمدن فی حصص 4.46 روپے رہی۔ اس کامیابی کا سہرا کمپنی کی انتظامیہ اور تمام ملازمین کے سر جاتا ہے جنہوں نے کمپنی کے مشن اور اہداف کی تکمیل میں اپنا کردار ادا کیا۔

رواں مالی سال پاکستان کے طول و عرض میں کاروباری حلقوں کیلئے ایک انتہائی سخت سال ثابت ہونے جا رہا ہے۔ قدرتی آفت کو ملک کے طول و عرض میں محسوس کیا گیا ہے جس کے باعث وطن عزیز کا تقریباً ایک تہائی حصہ زیر آب آچکا ہے، کئی قیمتی جانوں کا ضیاع ہو چکا ہے، لاکھوں افراد بے گھر ہو چکے ہیں اور ان کی کھیتیاں اور مال مویشی تباہ ہو چکے ہیں۔ ان تباہ کاریوں کے دور رس اثرات مرتب ہونگے جس کے نتائج آنے والے دنوں میں مزید مہنگائی، درآمدی بل، نقل مکانی اور غربت کی صورت میں محسوس ہوتے رہیں گے۔ علاوہ ازیں، آئی ایم ایف کی جانب سے عائد شدہ شرائط کی وجہ سے کاروبار کی لاگت میں بے پناہ اضافہ ہو چکا ہے جس کے باعث ایندھن / توانائی کی قیمت میں بے تحاشہ اضافہ ہوا ہے اور اسی کے ساتھ ساتھ ٹیکسوں کی شرح میں بھی بے حد اضافہ ہوا ہے۔ اس تناظر میں اس بات کی توقع کی جا رہی ہے کہ نہ صرف افراط زر کی شرح بلند رہے گی بلکہ شرح سود بھی بلند رہنے کا امکان ہے۔

انڈسٹری اور معیشت کو امید کی ایک کرن اس صورت میں بہر حال نظر آتی ہے کہ سیلاب کی تباہ کاریوں کے بعد بنیادی ڈھانچے کو بچانے والے نقصانات کے ازالے کیلئے تعمیر نو کے کام کا آغاز کیا جائے گا۔ تاہم عوامی ترقی پر خرچ کرنے کیلئے بجٹ کی کمی، عوام الناس کی قوت خرید میں کمی اور مہنگائی کی بلند شرح وہ عوامل ہیں جن کے باعث تعمیر نو کی رفتار سست روی کا شکار ہو سکتی ہے۔

سکڑتی ہوئی معیشت کو مد نظر رکھتے ہوئے، آپ کی کمپنی اس بات کیلئے پر عزم ہے کہ مارکیٹ میں اپنی پوزیشن کو مستحکم رکھا جائے تاکہ ان تمام مسائل کے باوجود بہتر منافع حاصل کیا جاسکے۔ آپ کی کمپنی کا برانڈ نون بدن مضبوط ہو رہا ہے اور پوری تعمیراتی صنعت میں کمپنی کا برانڈ عوام الناس، پیشہ ور افراد اور اداروں کا پہلا انتخاب بن کر ابھر رہا ہے۔

میں آپ کی کمپنی کے بورڈ اور انتظامیہ کی کاوشوں کو سراہتا ہوں بغیر نہیں رہ سکتا کہ جس انداز سے وہ ہر لمحہ بدلتے ہوئے حالات سے نبرد آزما ہونے کیلئے حکمت عملی مرتب کر رہے ہیں۔ کمپنی کی انتظامیہ کی جانب سے بہترین اقدامات اٹھائے جا رہے ہیں، جدید ٹیکنالوجی میں سرمایہ کاری کی جا رہی ہے تاکہ کارکردگی کو مزید موثر بنانے کے ساتھ ساتھ پیداواری لاگت میں بھی کمی لائی جاسکے۔ تاہم اس سال آپ کی کمپنی غیر فولادی صنعت میں بھی قدم رکھنے جا رہی ہے اور کمپنی کی جانب سے ایلومینیم کی مصنوعات کو برآمد کیا جائے گا تاکہ وطن عزیز کی

CEO's Message



Dear Shareholders,

The outgoing financial year started on a very positive note with the economy experiencing robust growth. The economy continued to crank away on the post-Covid recovery phase, with the construction sector taking the lead. However, the exuberance was short lived, with the commodity super cycle directly impacting Pakistan's economy. With oil prices and freight costs shooting to record levels, the current account deficit reached alarming levels along with the PKR depreciating to an extremely strong USD. This took the government by surprise and they had no other option but to apply the brakes to an overly heated economy. Our foreign exchange reserves started to deplete at a very fast pace and the monetary policy had to be tightened to rein in the growth. This culminated in the boom-bust cycle that the Pakistani economy witnesses every few years.

Just if the above was not enough, the political drama started to intensify with the opposition moving a vote of no confidence against the former Prime Minister, Imran Khan. The intense political uncertainty resulted in a huge slow down in trade and economic activities across the spectrum.

With the foreign exchange reserves dwindling and the IMF program off track, the PKR continued to take a huge hit, depreciating from 177 to 206 in a matter of few months (from Jan 2022 to June 2022). With the economy in a state of emergency, the government had no choice but to approach the IMF and get its house in order. This resulted in intense economic pain with massive increase in taxes and a 107% increase in cost of petroleum products, which fueled inflation across all sectors of the economy.

Against all odds, the country's GDP witnessed a healthy growth of 5.97% fueled by robust consumption across the value chain.

Our revenue for the outgoing fiscal year increased by 48% as compared to last year, whereas our gross margins decreased by 0.4%. In quantity terms, sales volume of re-bars saw a decline by 0.38% YoY, from 362,949 tons to 361,587 tons. Our 5 year CAGR registered an impressive growth of 20.33%.

Doubling down on the reduced availability of scrap, supply chain disruptions have created havoc with freight rates globally increasing by over 88%. In addition to the increase of cost of scrap, the electricity prices have increased by over 30% in the outgoing fiscal year. Cost of scrap and the cost of electricity constitute 88% 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 19.8% in a matter of six months.

Your Company powered up its 2.75 MWp Solar Plant at Dhabeji, taking the total installed capacity of its solar plant to 7.18 MWp. This is a small step toward decreasing energy dependency on the grid and becoming the first steel company of Pakistan to implement green energy solutions of this size. Your Company is further working on reducing its energy dependency on the grid and various technical studies have been initiated in this regard.

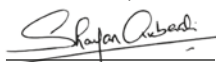
Our mission to be a brand of choice for all stakeholders is progressing with flying colors. As we celebrated our 50th anniversary in 2022, our brand attained new highs with our recent campaign "50 Years SOLID". The unconventional, 5-minute long communication became a viral sensation and was lauded by audiences and industry professionals as one of the best campaigns of the year. We organized the first-of-its-kind "National Retailer Awards", the biggest in building materials category, where we recognized and rewarded the efforts of our retail business partners from all over Pakistan. We did one better during the industry award season this year by bagging even more awards on prestigious platforms like Effies Pakistan and Pakistan Digital Awards than our tally last year. Today, I am proud to report that Amreli Steels continues to make the biggest strides in all key brand metrics like brand awareness, preference and recommendation in the steel category of Pakistan – a fact which was independently researched and verified by AC Nielsen across Pakistan.

The coming financial year is going to be highly challenging. Extended monsoon in the month of July and August along with flash floods have caused major destruction across the country. The construction sector has experienced a massive slowdown for the last 2 months with absolutely no offtake across any of our consumer sectors. We are hoping to maintain status quo for the coming financial year in terms of sales growth forecasts and we look forward to the construction sector picking up post-monsoons and getting back to some sort of normalcy.

The industry of Pakistan needs stability, political certainty, low cost energy and an end to all the political saga that we keep witnessing ever so often.

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
18 August 2022

Directors' Report to the Members

The Board of Directors take pleasure in presenting the Directors' Report together with annual audited financial statements of your Company for the year ended 30 June 2022.

Global Economy

The world economy has been constantly observing a chain of disrupting and broad-based deteriorating tremors. According to the World Bank's latest Global Economic Prospects Report, unanticipated invasion of the Russian Federation into Ukraine and its global effects on commodity markets, supply chains, inflation, coupled with the economic fallout from the pandemic, has sharply slowed down economic activity worldwide. Independently, Russia has been a global supplier of oil, gas, metals & other specialized inputs while Ukraine has been a global supplier of wheat and corn. The decline in the supply of these commodities has drastically increased the prices of these products in the international markets, spiraling the economic fallout of the war at wider lengths. This has adversely affected business confidence globally and further worsened the food crisis amid emanating extreme poverty in many emerging markets and developing economies - EMDEs.

Moreover, persistent price pressures globally have resulted in tightening of monetary policies in many countries, increasing the overall risks and challenges to economic prospects. Subdued growth and substantial inflationary pressures are likely to persist for a longer period than anticipated because of weak direct investment in most of the economies. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent recorded during 2010-2020, and thus inflation is now projected to remain preeminent for a much longer period in both advanced and EMDEs.

The world economy is projected to grow by only 3.1 per cent in 2022 and 2023 according to a recent report by the Department of Economic and Social Affairs of the United Nations. This projection is based on major downside risks emanating from the war in Ukraine, new waves of the pandemic, and faster-than-expected monetary tightening by developed countries.

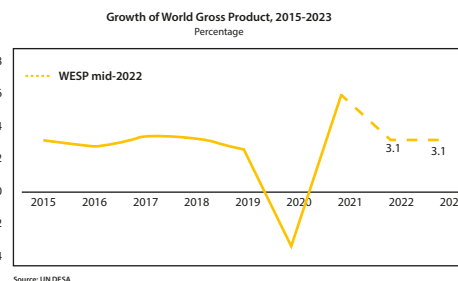
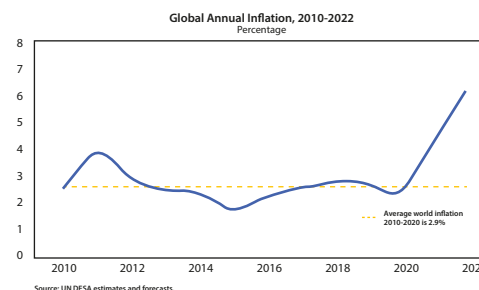
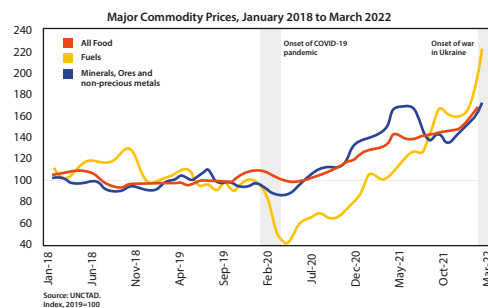
Being part of the global village, the impacts of worldwide inflation and supply chain disruptions have also cascaded to the local economy and there have been notable increase in prices of energy, utilities, metals, commodities, food and so on.

Domestic Economy

Pakistan's economy riding on internal consumption and cost-push inflation, attained a GDP growth of 5.97 percent in FY-2022 as compared to 5.74 percent recorded last year, albeit without addressing various macroeconomic imbalances. A GDP growth of 5.0 percent is targeted for FY-2023 with expectations of 3.9, 5.9 and 5.1 percent growth respectively in agriculture, industry and the services sector. This growth target for FY-2023 appears unattainable due to prevailing economic divergences and immense exchange rate pressure. Moreover, highly volatile geopolitical tensions are likely to remain unabated.

According to Pakistan Economic Review, the industrial sector in Pakistan recorded a growth of 7.2 percent in FY-2022 compared to 7.8 percent growth in FY-2021. The industrial sector performance is more dependent on the manufacturing sector, which has a share of 65 percent in the industry. Within manufacturing, Large-Scale Manufacturing (LSM) holds 74 percent share which continued to maintain a growth momentum and reached above pre-pandemic level with 10.7 percent growth, against 8.5 percent growth in the corresponding year. During the year, major contributors to this growth remained automobiles, iron & steel products, paper & board, wearing apparel, furniture, timber, tobacco and sports products.

The overall economy could have witnessed a more impressive growth had there been no political drama (that started in the late third quarter), which created political and economic uncertainty across the country. Though the economy was unable to absorb this unprecedented political shift, the aggressive revenue measures taken by the newly formed government, which included the imposition of a discriminatory 10% super tax on thirteen sectors including steel, have further deteriorated the economic outlay and sentiment of the business community.

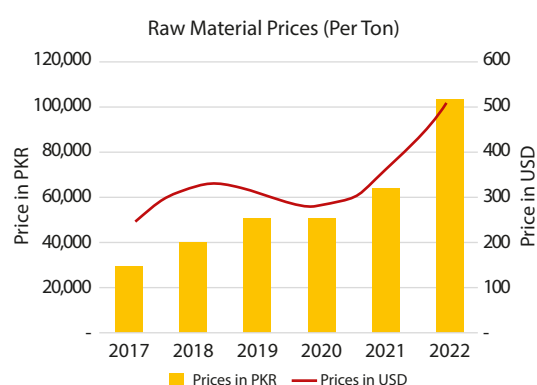
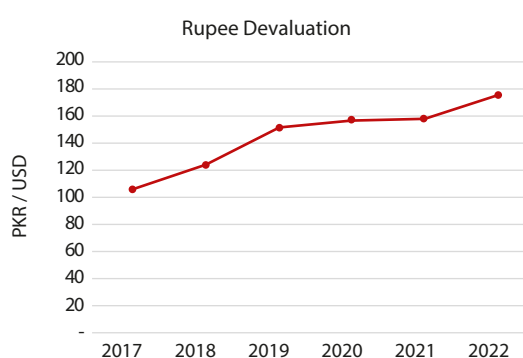


Financial Performance for the Year Ended 30 June 2022

Your Company was progressing well during the first nine months of the outgoing financial year and registered phenomenal growth in the top and the bottom line as depicted in the table below.

Particulars	First Quarter Ended 30 September 2021	Half Year Ended 31 December 2021	Nine Months Ended 31 March 2022
----- Rs. in millions -----			
Net sales	11,844	26,621	42,537
Gross Profit	1,692	3,391	5,099
Profit After Tax	702	1,303	1,834
Sales' volumes (in metric tons)	85,356	178,912	275,549

The above table depicts a 56% growth in the top line during the nine months as compared to similar period last year, reflecting a 51% price increase and a 5% volumetric growth. The price increase is a sum of all cost pushed inflation including an increase in international scrap prices by 53%, a rupee devaluation by 8% and an increase in power tariff (comprising fuel charges adjustments) by 17% besides the increases in the costs of all other inputs. The growth in sales volumes was a pure reflection of better market imprints of the Company and favorable business environment amid various post-COVID incentives offered by the government in the shape of reduced-rate housing loans, tax amnesty and construction package. (The worthy shareholders may refer to page no. 121 of this annual report for detailed quarterly analysis).



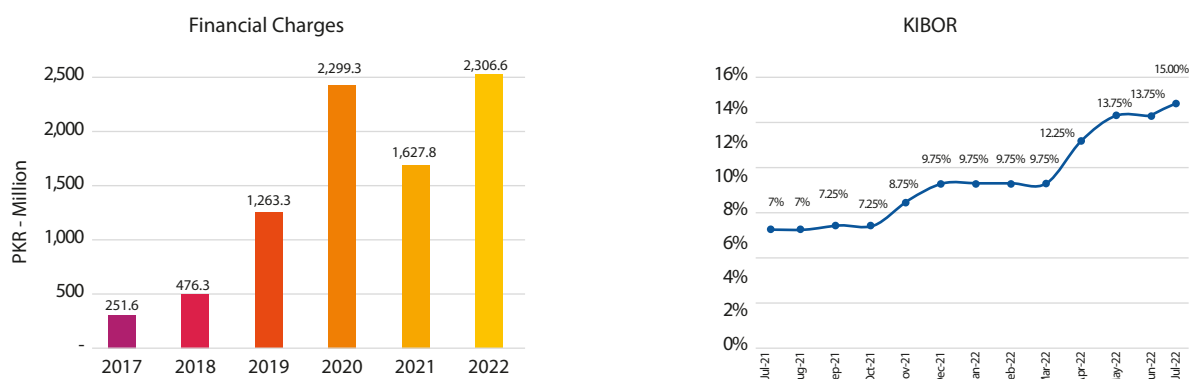
Moving towards the year-end, your Company could not maintain the momentum due to uncontrollable economic and political challenges that took place in the fourth quarter and eventually halted the upward trajectory of the top line (which declined from 56% reported in the third quarter to 48.4% in the fourth quarter).

Particulars	30 June 2022	30 June 2021
----- Rs. in '000 -----		
Sales Revenue	58,184,282	39,218,453
Gross Profit	6,491,487	4,542,138
Operating Profit	4,384,761	3,011,829
Profit Before Tax	2,078,064	1,383,951
Profit After Tax	1,325,515	1,368,259
Earnings per share basic and diluted (in Rupees)	4.46	4.61

In terms of sales off-take, your Company moved 361,587 metric tons of prime rebars during the year under review. Moreover, your Company was able to register a record production of 380,817 metric tons of billets and 370,566 metric tons of rebars as compared to 366,400 metric tons of billets and 356,316 metric tons of rebars produced in FY-2021. This production and sales tonnage achieved for the year was possible due to the Company's agile supply chain and its countrywide sales distribution network, despite the aforementioned challenges faced in the fourth quarter.

The gross profit for the year increased from Rs.4.5 billion to Rs.6.5 billion. However, the margins reduced from 11.58% to 11.16% due to unprecedented and significant 'Fuel Charge Adjustment' (FCA) by K-Electric for the month of May and June 2022. Also, there was a phenomenal increase in scrap prices after the Russia-Ukraine crisis and our country witnessed a massive rupee devaluation due to the rising current account deficit and the fast depleting forex reserves.

The operating profit registered a notable growth of 44% to Rs.4.4 billion during the year under review as compared to Rs.3.0 billion in the corresponding year. Based on percentage of revenue, distribution expenses and administrative expenses decreased slightly and remained under control. Finance costs increased significantly to Rs.2.3 billion from Rs.1.62 billion as compared to last year due to the increase in borrowings and cost of borrowing during the outgoing financial year. The KIBOR increased to an all-time high by a cumulative 800 basis points in nine months of the outgoing financial year (Sep-21 to Jul-22), from 07 percent to 15 percent respectively.



Your Company registered profit before tax of Rs.2.08 billion and profit after tax of Rs.1.32 billion as compared to profit before tax of Rs.1.38 billion and profit after tax of Rs.1.36 billion in the corresponding year. The Company achieved an EPS of Rs.4.46 per share as against Rs.4.61 per share in the last year.

While comparing operational results of the fourth quarter with the third quarter of the outgoing financial year, net sales of your Company slightly decreased from Rs.15.9 billion to Rs.15.6 billion showing decline of Rs.0.27 billion. This decrease was primarily attributed to decline in sales' volumes in the fourth quarter due to political unrest, which historically is the best quarter in terms of sales' off-take. The operating profit for the fourth quarter was Rs.0.45 billion lower than the operating profit reported in the third quarter of the year under review, mainly because of increase in distribution and administrative costs. Hence, the Company registered a loss before tax of Rs.37 million as compared to profit of Rs.566 million in the third quarter, mainly due to decline in gross profit margins which reduced from 10.73% (third quarter) to 8.9% (fourth quarter). The prime reason for decline in GP margins was the muted demand due to political uncertainty and the huge increase in cost of electricity under the head of FCA (Rs. 488 million) and also the increase in the cost of scrap which could not be passed through to the end customers. Further, significant surge in policy rates to combat inflation increased the finance cost of the Company during the fourth quarter, increasing the loss further.

The net loss ballooned to Rs.508 million as compared to profits of Rs.530 million in the third quarter, followed by decline in gross profit and the unprecedented imposition of super tax of 10% in the finance bill amounting to Rs.509 million, taking the tax rates to an all time high of 39%. The retrospective imposition of super tax is widely termed as destructive by the business community in Pakistan which is already burdened with high tariff rates for gas and electricity and abnormally high interest rates. Had there been no war in Ukraine, no political uncertainty, no abnormal FCA and super tax of 10% in the fourth quarter, your Company would have recorded its highest ever profit of more than Rs.2.1 billion (approximately) for the outgoing financial year.

Future Outlook:

The World Steel Association has anticipated growth in steel demand in its latest outlook for the financial year 2023; however, the ongoing war between Russia and Ukraine which has resulted in the increase in prices of raw materials for steel production, the continued supply chain disruptions, higher energy and commodity prices, coupled with volatility in global financial market would continue troubling the global steel industry and its demand outlook.

In parallel, the economy of Pakistan has been facing significant issues of a rising current account deficit, a massive increase in the cost of energy and petroleum products, highest inflation numbers, rapid deterioration of the PKR/USD parity and very low forex reserves. Though the economy had somehow managed to absorb these jolts during its course towards the year-end, the nation witnessed an unprecedented spell of monsoon rains and flash floods from the mid of June 2022 which wreaked havoc in Pakistan. Around 2 million households were damaged, 2.1 million hectare of agriculture land was inundated and more than 1200 precious lives were lost. As of the reporting date, overall damage is estimated at USD 10 to 12 billion, predicting a drop in manufacturing output in the first quarter of FY-23, which may well extend beyond second and third quarter of FY-23. Thus, the construction industry in general and steel industry in particular is passing through a period where almost 50% of the manufacturing sector, on a national scale, has shut down its production facilities owing to the declining trend in demand.

The mass scale destruction accompanying the heavy rainfalls and extended monsoon has caused demand to shrink to the extent that majority of the businesses are forced to shed their stocks at throwaway prices in a bid to at least cover-up their marginal costs. The avenues for generating revenues are deteriorating significantly either due to delayed release of funds or diminished liquidity at the buyers' end.

These are testing times even for the leaders of the industry. The economic and geopolitical situation is so fluid that one has to change business strategy every week if not every day. To work in such a volatile environment and come out as winners will require a lot of maneuvering, thinking out of the box solutions, putting extra efforts and making flexible strategies with steely nerves. Even under such a bleak situation, your Company is confident that once the dust hovering around the political circles settles down and government's commitment towards the infrastructural development gets strengthened, construction projects will kick off nationwide, some of which include -

- rehabilitation of the masses in the flood affected areas;
- revamping of the roads and bridges in the entire Baluchistan and most part of Sindh rural areas;
- resumption of work on all the 59 dams that had been designed to create huge water reservoirs and generate hydel power nationwide;
- initiation of work on more than 230 high rise projects in the housing sector in Sindh province, mainly Karachi;
- ground breaking of over 25 mega projects including housing, malls, entertainment in the central Punjab under the supervision of Nespak and Communication and Works Department, Punjab;

The collective demand that will be generated from the above listed avenues will create sufficient demand for the existing steel businesses to become viable again and add additional opportunities for further expansion in midterm.

As per the recent publication from the State Bank of Pakistan, banks have shown strong progress in approving and disbursing the financing under 'Mera Pakistan Mera Ghar Scheme' against the multiple increase in applications by borrowers to avail housing finance. By the year's end, the banks received applications for housing finance amounting to Rs.435 billion, which was merely Rs.57 billion a year ago and reflects an increase of more than 7 times. Out of these, banks have approved applications amounting to Rs.180 billion and disbursed Rs.66 billion against the approved applications. This shows an increase in approvals of applications of more than 11 times from over a year ago.

It is pertinent to mention that antidumping duties on our finished products proved to be a deterrent against unfair imports from China. The Company has been aggressively pursuing the imposition of antidumping duties and with its efforts, the Company had been able to counter the dumping practices which has played a major role for your company to increase its revenue particularly when the cost of production has increased due to multiple factors discussed above. Otherwise, the post-covid piled-up stocks as well as trade restrictive measures on Billets and Rebars around the globe on Chinese finished / Semi-finished steel products would have made it terrible for the Company to maintain or increase its sales revenue. Antidumping duties on Billets and Rebars which were imposed in 2016 and 2017 for a period of five years had been subject to expiry review during the current financial year. The Company has filed applications with National Tariff Commission for continuation of instant duties for another period of five years, which are in process and the Company is poised that these antidumping duties will also be continued for a further period of five years.

The steel industry in Pakistan has grown substantially over recent years and witnessed huge quantum of investment that could have been manifolds more had there been a favorable business environment with certainty in policymaking and political stability. The steel industry is a major source of national revenue for the government of Pakistan. The sector has the potential to become an exporting sector after meeting the entire domestic demand but it is only possible when there is a predictable road map through consistent policy measures from the government.

Pakistan Association of Large Steel Producers

Within a short span of two years, the Pakistan Association of Large Steel Producers (PALSP) has successfully established itself as a credible forum of the long steel sector. The Board of Directors of your Company recognizes and appreciates the consistent efforts of PALSP in resolving key issues of further tax and bringing down the turnover tax for steel dealers, sub-dealers, distributors and retailers from 1.25% to 0.25% during the year.

The Board requests the PALSP to put intensive efforts to attain some relief for the steel business which is now striving for survival during this time of economic downturn by working closely with concerned government authorities to -

- Abolish regulatory duty of 5% on primary raw material not available locally;
- Reduce custom duty of 3% on HMS and additional custom duty of 2% on all scrap;
- Reduce sales tax by 50%;
- Reduce turnover tax on steel manufacturers from 1.25% to 0.5% being high volume and low margin industry;
- Revert adjustment of carry forward of minimum tax back to five years' from three years as changed in the Finance Act for FY 23;
- Review minimum sale price of rebars on quarterly basis;
- Provide level playing field to the documented steel sector nationwide;

- Remove anomalies on various sales tax inputs available to rebars' manufacturers;
- Discontinue production and marketing of sub-standard steel bars in the country following PSQCA standards;
- Withdraw tax free status for FATA/PATA;
- Minimize the smuggling/import of steel bars through land borders;
- Allow full adjustment of Sales Tax input from output by making amendments in Section 8B of the Sales Tax Act, 1990;
- Encourage documentation of the steel sector by incentivizing through reduced taxation measures and availability of cheaper finance for expansion and balance & modernization.

Governance:

Corporate Governance and Financial Reporting Framework

The Board of Directors of your Company is dedicated towards maintaining high standards of good corporate governance. The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and the Code of Corporate Governance for the following matters -

- 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.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied to prepare the financial statements and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in the preparation of financial statements.
- 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.
- There are no doubts upon the Company's ability to continue as a going concern.
- 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.
- A summary of key operating and financial data of the Company is annexed to this annual report.
- Information about taxes and levies is given in notes to the financial statements.
- 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 2022 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 2022 stands Nil.

Board of Directors;

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, three Non-Executive Directors and one Executive Director.

The Board of Directors of the Company as of 30 June 2022 consists of:

Total Number of Directors	7
i) Men	5
ii) Women	2

The names and composition of the Board of Directors as of 30 June 2022 are as follows:

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

During the year, five (05) 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	05
Teizoon Kijat	05
Badar Kazmi	04
Zafar Ahmed Taji	05
Shayan Akberali	05
Kinza Shayan	04
Mariam Akberali	04

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 (6) 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 Kijat - Chairman	06
Badar Kazmi	04
Zafar Ahmed Taji	06
Kinza Shayan	06

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, three (03) meetings 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	03
Teizoon Kisat	03
Shayan Akberali	03
Kinza Shayan	03

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 promoting gender diversity in the workplace and equal opportunities for all, based on merit and suitability. Female Directors represent 28% of the composition of the Board of Directors of the Company. By having female directors 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 arranges orientation courses for Directors as and when needed to apprise them of their duties and responsibilities as envisaged in the Companies Act, 2017 and the Code of Corporate Governance. The Company ensures that the incoming Director(s) have appropriate briefing and orientation material that lends them first-hand knowledge on the operations of the Company.

Six out of the seven Directors of the Company either have obtained certificate of Directors' Training Program or are exempt from the requirement as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. The remaining one Director will acquire the required training during the ensuing year.

In order to keep Board Members aware about the changes in the Corporate Laws, the Company arranges refresher courses on a continuous basis. The Company arranged a Directors' Orientation Session during the year which was also attended by the senior executives of 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 20 October 2022 and offering themselves for re-appointment. The Board, upon recommendations of the Audit Committee, has endorsed the re-appointment of M/s. EY Ford Rhodes, Chartered Accountants as auditors of the Company for the year ending 30 June 2023.

Internal Audit

The Board has outsourced the internal audit function of the Company to M/s. BDO Ebrahim & Co. (Chartered Accountants) who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Company also has an independent Internal Audit function led by the Head of Internal Audit who functionally reports to the Board's Audit Committee and administratively reports to the Chief Executive. The Head of Audit acts as a coordinator between the outsourced firm providing internal audit services and the Board.

The Board's Audit Committee has conducted its annual review of the affairs and operations of the Company for the year under review and has presented the same in the form of a "Report of Board's Audit Committee" which is annexed in this annual report.

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 2022 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 2022 is annexed with this annual report.

No transaction in shares of the Company by the Directors, Substantial Shareholders, Executives and their spouses and minor children took place during the year. However, any such transaction(s) is communicated to Pakistan Stock Exchange and SECP in accordance with the Code of Corporate Governance and the Securities Act, 2015 in a timely and responsible fashion.

"Executives mean Chief Executive Officer, Chief Operating Officer (Operations), Chief Operating Officer (Strategy), Chief Financial Officer, Company Secretary and Head of Internal Audit".

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 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 2022 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 mentioned in this report, the Company was poised to record its highest ever profit of more than Rs.2.1 billion for the financial year under review. Despite registering a growth of 56% in the top line, the imposition of discriminatory charge of super tax and unprecedented Fuel Charge Adjustment by K-Electric dragged the profitability of the bottom line to even less than the last year reported profit. Considering the unstable and highly volatile business environment in the country, the Board decided to preserve the financial reserves of the Company and did not recommend any cash dividend for the year ended 30 June 2022.

Contribution to National Exchequer

The Company contributed Rs.14.01 billion (FY 2021: Rs.8.57 billion) towards the National Exchequer on account of various government levies, taxes and import duties in the year under review up by 61.7% as against last year.

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.

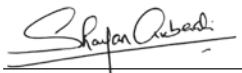
Operating & Financial Data

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

Acknowledgement

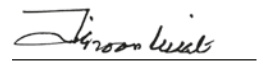
The Board expresses its gratitude to all the valued stakeholders including respected shareholders, valued customers, financial institutions and suppliers for their confidence and support. The Board would also like to thank the management and employees for their sincere contributions and support.

For & on behalf of Board of Directors

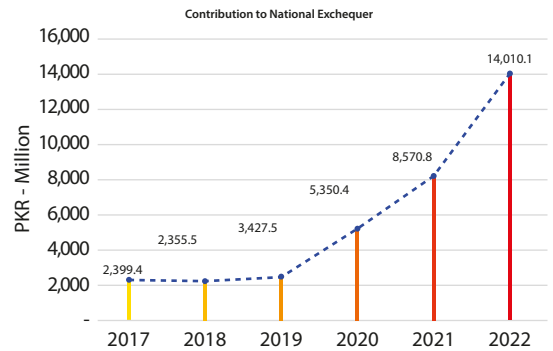


Shayan Akberali
Chief Executive Officer

18 August 2022
Karachi



Teizoon Kisat
Director

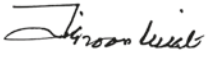


کمپنی سے متعلق مالیاتی اور کاروباری معلومات اور گزشتہ چھ سالوں سے متعلق اہم ترین تناسبات کو بھی رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

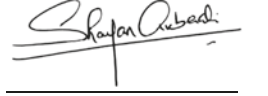
اظہار تشکر

بورڈ تمام گرامی قدر شراکت داروں بشمول معزز حصص داران، قابل قدر صارفین، مالیاتی اداروں اور ترسیل کاروں کا تہہ دل سے مشکور ہے کہ ان کا اعتماد اور انکی حمایت ہمیشہ ہمارے شامل حال رہی۔ بورڈ اس موقع پر کمپنی کی انتظامیہ اور تمام ملازمین کا بھی شکریہ ادا کرنا چاہتا ہے جن کی انتھک محنت اور گراں قدر خدمات کی وجہ سے کمپنی ترقی کی راہوں پر گامزن ہے۔

برائے و مخائب بورڈ آف ڈائریکٹرز



تیزون کست
ڈائریکٹر



شایان اکبر علی
چیف ایگزیکٹو آفیسر

18 اگست 2022

کراچی

کمپنی کی جانب سے ایسے پر عزم 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 جاسکے۔

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 گریجویٹ اسکیم قائم کی گئی ہے۔ گریجویٹ کیلئے تخمینے بناتے وقت حقیقت سے قریب ترین قیاس پر مبنی مندرجات کو درج کیا جاتا ہے۔ تازہ ترین قیاسات 30 جون 2022 سے پیش کئے گئے تھے جن کیلئے پروجیکٹڈ پونٹ کریڈٹ میٹھڈ 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 اس کی تقسیم

جیسا کہ اوپر ذکر کیا جا چکا ہے، زیر نظر مالی سال کے دوران کمپنی اپنی تاریخ کے بلند ترین منافع یعنی 2.1 ارب روپے حاصل کرنے کے لئے تیار تھی۔ حالانکہ فروختگی میں 56 فیصد کی شرح نمو حاصل کی گئی لیکن امتیازی سپرٹیکس اور کے الیکٹریک کی جانب سے فیول ایڈجسٹمنٹ کی مد میں عائد کئے جانے والے سرچارج کی وجہ سے کمپنی کا منافع گزشتہ سال کمائے گئے منافع سے بھی کم رہا۔ وطن عزیز میں انتہائی غیر یقینی کاروباری حالات کو پیش نظر رکھتے ہوئے، بورڈ کی جانب سے یہ فیصلہ کیا گیا ہے کہ مالیاتی ذخائر کو کمپنی کیلئے سنبھال کر رکھا جائے اور اس ضمن میں مالی سال اختتامیہ 30 جون 2022 کیلئے نقد ڈیویڈنڈ دینے کا اعلان نہیں کیا گیا۔

قومی خزانے میں ادائیگی

کمپنی کی جانب سے سرکاری ٹیکسوں، لیویز اور درآمدی ڈیویڈنڈ کی مد میں زیر نظر مالی سال کے دوران 14.01 ارب روپے قومی خزانے میں جمع کروائے گئے (بمطابق مالی سال 2021 یہ رقم 8.57 ارب روپے تھی) جو کہ گزشتہ مالی سال کے مقابلے میں 61.7 فیصد زائد ہے جس سے یہ اندازہ ہوتا ہے کہ کمپنی بطور ذمہ دار کارپوریٹ شہری کے قومی ترقی کے بارے میں ایک مثبت سوچ کی حامل 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 ناچھوڑا جائے۔

کمپنی کے اہم افعال (کاروبار کی نوعیت)

کمپنی بنیادی طور پر اسٹیل کے بلیٹس اور ریل یارڈ 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 فورڈ 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 اندورنی 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 کمپنی کو براہ راست آزادانہ اور معروضی تجزیے 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 از 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 مذكور ہیں جسے سالانہ رپورٹ سے منسلک کیا جا چکا ہے۔

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 ناکوئی سرپرست کمپنی ہے اور ناہی 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 ناہندہ نہیں رہی۔

اندورنی کنٹرول کا نظام

بورڈ اندرونی کنٹرول کے نظام کو پوری کمپنی میں مؤثر انداز سے نافذ کرنے اور چلانے کے سلسلے میں اپنی ذمہ داریوں سے بخوبی واقف ہے۔ آپ کی کمپنی کی جانب سے ایک انتہائی مؤثر 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 جاسکتے 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 جاسکے 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۔

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

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

30 جون 2022 سے رپورٹنگ کی تاریخ تک کوئی غیر معمولی واقعات پیش نہیں آئے اور نا 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

مالی سال اختتامیہ 30 جون 2022 سے متعلق کمپنی کی ترتیب حصص داری سالانہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی کے ڈائریکٹرز، اہم حصص داران، انتظامی افسران اور ان کے ازواج یا نابالغ بچوں کی جانب سے اگر کمپنی کے حصص کے سلسلے میں کوئی خرید و فروخت ہوئی ہے تو کوڈ آف کارپوریٹ گورننس اور سیکورٹیز ایکٹ 2015 کے ضوابط کے مطابق اس کی باقاعدہ اور بروقت اطلاع پاکستان اسٹاک اینڈ ایکسچینج اور ایس ای سی پی کو دی جا چکی ہے۔

"ایگزیکٹیو سے مراد چیف ایگزیکٹیو آفیسر، چیف آپریٹنگ آفیسر (آپریٹنگز)، چیف آپریٹنگ آفیسر (حکمت عملی)، چیف فنانشل آفیسر، کمپنی سیکرٹری اور انڈرونی آڈٹ کے سربراہ ہیں۔"

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 ان کے مسائل کو حل کرنے کیلئے ہر ممکن کوشش کی جاتی ہے۔

ریکارڈ کی حفاظت

کمپنی کی جانب سے اپنے تمام اثاثوں کی حفاظت کیلئے ایک واضح نظام وضع کیا گیا ہے۔ کمپنی اپنے مالیاتی ریکارڈ کو محفوظ رکھنے کے اقدامات کو بہت اہمیت دیتی ہے۔ اپنے مالیاتی مندرجات کے کھاتوں کو محفوظ بنانے کیلئے کمپنی کی جانب سے SAP کو ERP سسٹمز کے تحت استعمال میں لایا جاتا ہے۔ SAP اور ERP سسٹمز میں خفیہ کوڈ کے ذریعے ان دستاویزات تک محفوظ رسائی کو ممکن بنایا گیا ہے۔ کمپنی ایکٹ 2017 کے قواعد کی رو سے تمام قراردادوں کی اطلاعات اور بورڈ کے اجلاسوں کی کارروائی کو فزیکل طور پر کم از کم دس (10) سال کیلئے محفوظ رکھا جاتا ہے اور ایکس آرکس ذرائع کے تحت یہ دستاویزات ہمیشہ کیلئے محفوظ ہوتی ہیں۔ مزید برآں، ممبران کی جانب سے پیش کی گئی قراردادیں اور عام اجلاسوں کی کارروائیوں کو فزیکل اور الیکٹرانکس طریقے سے بیس (20) سال کی مدت کیلئے محفوظ رکھا جاتا ہے۔

سی ای او (CEO) کی کارکردگی کا جائزہ

چیف ایگزیکٹو 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 مد نظر 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 جا رہا ہو۔ کمپنی کی جانب سے غیر انتظامی ڈائریکٹرز کو معاوضہ ادا نہیں کیا جاتا، سب سے اس کے وہ اجلاسوں میں شرکت کیلئے تشریف لائیں تو انہیں 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

ڈائریکٹرز کی تربیت سے متعلق بورڈ کی جانب سے تمام قواعد کی مکمل پاسداری کی گئی ہے۔ کمپنی کے چھ ڈائریکٹرز نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے منعقد شدہ ڈائریکٹرز ٹریننگ پروگرام میں شرکت کی ہے۔ بقیہ ایک ڈائریکٹر بھی قواعد میں مذکورہ مدت کے اندر اندر مطلوبہ تربیت حاصل کر لیں گے۔

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز (M/s. EY Ford Rhodes Chartered Accountants) سالانہ اجلاس عام کے اختتام منعقدہ 20 اکتوبر 2022 کو ریٹائر ہو رہے ہیں، تاہم انکی جانب سے اپنی خدمات کو ایک مرتبہ پھر پیش کیا گیا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ کی جانب سے (M/s. EY Ford Rhodes Chartered Accountants) کو مالی سال اختتامیہ 30 جون 2023 کیلئے ایک مرتبہ پھر تعینات کرنے کی توثیق کی ہے۔

اندرونی آڈٹ

بورڈ کی جانب سے اندرونی آڈٹ کے کام کو (M/s. BDO Ebrahim & Co. Chartered Accountants) کے حوالے کر دیا گیا جو کہ اس کام کیلئے اہلیت اور مناسب تجربے کے حامل ہیں اور انہیں کمپنی کی پالیسیوں اور ضوابط سے بھی پوری طرح آگاہی اور واقفیت ہے۔ اس کے علاوہ کمپنی کی جانب سے اندرونی طور پر بھی اندرونی آڈٹ کا ایک نظام وضع کیا گیا ہے جو کہ اندرونی آڈٹ کے سربراہ کے ماتحت کام کر رہا ہے۔ اندرونی آڈٹ کے سربراہ عملی طور پر بورڈ کی آڈٹ کمیٹی اور انتظامی طور پر چیف ایگزیکٹو کو رپورٹ کرتے ہیں۔ آڈٹ کے شعبے کے سربراہ بیرونی طور پر کمپنی کے اندرونی آڈٹ کرنے والی فرم اور بورڈ کے مابین ایک رابطے کا کام کرتے ہیں۔

بورڈ کی آڈٹ کمیٹی کی جانب سے زیر نظر مالی سال کیلئے کمپنی کے کاروباری افعال کا سالانہ جائزہ لینے کے بعد اسے "Audit Committee Report" کے عنوان سے پیش کیا گیا ہے جسے سالانہ رپورٹ ہذا کے ساتھ منسلک کیا گیا 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۔

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 شرکت اور حاضری
تیزون کست	6
پدر کاظمی	4
ظفر احمد تاجی	6
کنزہ شایان	6

انسانی وسائل و ادائیگیوں کی کمیٹی (HR&R Committee)

انسانی وسائل و ادائیگیوں کی کمیٹی انسانی وسائل، انکی ترقی، جائزینی کی پالیسی اور معاوضوں کے تعین جیسے مسائل کی نگرانی کے سلسلے میں بورڈ کی معاونت کرتی ہے اور اسی طرح انسانی وسائل و ادائیگیوں 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 ادائیگیوں کی کمیٹی کے تین (3) اجلاس منعقد کئے گئے۔ یہ اجلاس پاکستان میں منعقد کئے گئے۔ کمپنی کا چیف ایگزیکٹو آفیسر (CEO) انسانی وسائل و ادائیگیوں کی کمیٹی کا ممبر بھی ہے۔ HR ڈیپارٹمنٹ کے سربراہ نے مدعو کئے جانے پر انسانی وسائل و ادائیگیوں کی کمیٹی کے اجلاس میں شرکت کی۔ انسانی وسائل کی کمیٹی کے اجلاس میں ڈائریکٹرز کی حاضری سے متعلق تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام	اجلاسوں میں حاضری کی تعداد
ظفر احمد تاجی	3
تیزون کست	3
شایان اکبر علی	3
کنزہ شایان	3

بورڈ اور اس 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۔ ناصرف 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 جاسکے۔ 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 اور اس کی کمیٹیوں کی سالانہ کارکردگی چیمبر مین 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 28 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 جا رہا ہے۔ بورڈ اور کمپنی انتظامیہ کی جانب سے خواتین کی حوصلہ افزائی کی جاتی ہے کہ وہ کمپنی میں شمولیت اختیار کریں۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

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

کمیٹی 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 کمیٹی پر لاگو ہوتے ہیں اور کمیٹی کے اندرونی ضوابط کے لحاظ سے یہ ڈھانچہ کمیٹی کے آئیٹمز آف ایسوسی ایشن سے بھی ہم آہنگ ہے۔ اس طریقہ کار میں کمیٹی کو لاحق خطرات کا تجزیہ اور کنٹرول کا نظام بھی شامل ہے اور اس بات کو یقینی بنایا جاتا ہے کہ قابل اطلاق قوانین و ضوابط اور کمیٹی کے ضابطہ اخلاق کی مکمل پاسداری کو ممکن بنایا جاسکے۔

آپ کی کمیٹی 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۔ کمیٹی کا بورڈ تین آزاد، تین غیر انتظامی اور ایک انتظامی ڈائریکٹر پر مشتمل ہے۔

زیر نظر مالی سال کے دوران بورڈ کے پانچ (5) اجلاس منعقد کئے گئے ہیں۔ بورڈ کے تمام اجلاس پاکستان کے اندر ہی منعقد کئے گئے۔ ان اجلاسوں اور ان میں شرکت کرنے والے ڈائریکٹرز کی حاضری سے متعلق تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام	اجلاسوں میں حاضری کی تعداد
عباس اکبر علی	5
تیزون کست	5
بدر کاظمی	4
ظفر احمد تاجی	5
شایان اکبر علی	5
کنزہ شایان	4
مریم اکبر علی	4

بورڈ کی آڈٹ کمیٹی (Audit Committee)

بورڈ کی آڈٹ کمیٹی کمیٹی 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۔

☆ سہ ماہی کی بنیادوں پر ریبازری کی قیمت فروخت کا جائزہ لیا جائے؛
 ☆ قومی سطح پر رجسٹرڈ شدہ اسٹیل سیکٹر کو کاروبار کے جائز مواقع فراہم کئے جائیں؛
 ☆ ریبازری کے صنعتکاروں کیلئے اینٹ ٹیکس پر حائل بے ضابطگیوں کو دور کیا جائے؛
 ☆ ملک کے اندر غیر معیاری اسٹیل کی فروخت پر پابندی عائد کی جائے اور اس سلسلے میں PSQCA کی جانب سے مقرر کردہ معیارات کو بنیاد بنایا جائے۔
 ☆ FATA/PATA کے ٹیکس فری اسٹیٹس کو ختم کیا جائے؛

☆ زمینی سرحدوں سے اسمگلنگ اور درآمدات کے ذریعے لائے جانے والے اسٹیل کی مقدار میں کمی لائی جائے؛

☆ خام مال پر عائد شدہ سبز ٹیکس کو مکمل طور پر فروخت کے سبز ٹیکس سے منہا کرنے کی اجازت دی جائے اور اس سلسلے میں سبز ٹیکس ایکٹ، 1990 کے سیکشن 8B میں ترمیم کی جائے؛

☆ ٹیکسوں میں کمی اور کم لاگت پر فنانسنگ کی فراہمی جیسے اقدامات اٹھا کر اسٹیل سیکٹر کو یہ ترغیب دی جائے کہ وہ کاروبار کو دستاویزی شکل دیں تاکہ اس سیکٹر میں توسیع اور تجدید کے امکانات کو روشن کیا جاسکے؛

کارپوریٹ گورننس اور فنانشل رپورٹنگ کا دائرہ کار

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کمپنی میں کوڈ آف گورننس کے اعلیٰ معیار کی پاسداری کیلئے پرعزم ہیں۔ ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ کمپنی کی جانب سے سیکورٹیز 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 مالیاتی گوشواروں کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پر عمل کیا گیا ہے، نیز تمام 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۔

ہ۔ 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 بیٹنگی کی بنیاد پر جاری رہے گا جس کا بنیادی مقصد یہی ہے کہ کمپنی کے اندر کنٹرول کے نظام کو مزید موثر 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۔

ذ۔ 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 گریجویٹ 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۔ گریجویٹ اسکیم بنانے والے تخمینے کا انحصار انتہائی محتاط اور آزاد اندازوں پر ہے۔ جدید ترین تخمینے 30 جون 2022

کو پروجیکٹڈ یونٹ کریڈٹ طریقے کے تحت بنایا گیا ہے۔ کیونکہ یہ ایک غیر فنڈ شدہ اسکیم ہے اس لئے اس سے کسی قسم کی کوئی سرمایہ کاری نہیں کی جاسکتی اس لئے بتاریخ 30 جون 2022 اس

سلسلے میں سرمایہ کاری کی قدر صفر ہے۔

☆ سیلاب سے متاثرہ علاقوں میں عوام الناس کی بحال کا کام؛
 ☆ پورے بلوچستان اور صوبہ سندھ کے زیادہ تر دیہی علاقوں میں سڑکوں اور پلوں کی بحالی کا کام؛
 ☆ قومی سطح پر ان تمام 59 ڈیموں پر کام کو جاری رکھنے کا عمل جنہیں بڑے پیمانے پر پانی کو ذخیرہ کرنے اور بجلی پیدا کرنے کیلئے ڈیزائن کیا گیا ہے؛
 ☆ صوبہ سندھ بالخصوص کراچی میں بلندو بالا عمارتوں کے 230 سے زائد پروجیکٹس پر کام کی ابتداء؛
 ☆ وسطی پنجاب میں نیپاک اینڈ کمیونیکیشن اینڈ ورکس ڈیپارٹمنٹ کی جانب سے ہاؤسنگ، مالز، تفریحی مقامات سمیت 25 بڑے منصوبوں پر کام کا آغاز؛

مذکورہ بالا منصوبوں سے پیدا ہونے والی مجموعی طلب اسٹیل کے موجودہ کاروبار کو ایک مرتبہ پھر اپنے پیروں پر کھڑا کر دے گی اور ان منصوبوں کے درمیان ہی کاروبار میں توسیع کے لئے اضافی مواقع فراہم کرے گی۔

اسٹیٹ بینک آف پاکستان کی جانب سے حال ہی میں جاری کی جانے والی اشاعت کے مطابق بینکوں کی جانب سے "میرا پاکستان میرا گھر اسکیم" کے تحت فنڈنگ کے بندوبست اور تقسیم کیلئے بڑی پیش رفت سامنے آرہی ہے کیونکہ بہت سے درخواست گزار اس اسکیم کے تحت قرض حاصل کرنے کے خواہاں ہیں۔ سال کے اختتام تک بینکوں کو ہاؤسنگ اسکیم کے تحت موصول ہونے والی درخواستوں کی مطلوبہ رقم 435 ارب روپے بنتی ہے جو کہ محض ایک سال پہلے تک صرف 57 ارب روپے تھی، یعنی ان درخواستوں میں 7 گنا تک اضافہ ہو چکا ہے۔ موصول ہونے والی ان درخواستوں میں سے اب تک بینکوں کی جانب سے 180 ارب روپے کی درخواستوں کو منظور کیا جا چکا ہے اور منظور ہونے والی درخواستوں کے ضمن میں 66 ارب روپے جاری بھی کئے جا چکے ہیں۔ اس سے ظاہر ہوتا ہے کہ ایک سال پہلے کے مقابلے میں اب تک منظور کی جانے والی درخواستوں کی تعداد 11 گنا زیادہ ہے۔

گزشتہ چند سالوں کے دوران پاکستان میں اسٹیل کی صنعت نے کافی ترقی کی ہے اور اس صنعت میں خاطر خواہ سرمایہ کاری کی گئی ہے، البتہ اگر سیاسی سوجھ بوجھ کا مظاہر کیا جاتا اور پالیسی سازی میں استقلال کے ساتھ سازگار کاروباری ماحول کو پروان چڑھایا جاتا تو اس صنعت میں کی جانے والی سرمایہ کاری اس سے کئی گنا زیادہ بھی ہو سکتی تھی۔ اسٹیل کی صنعت حکومت پاکستان کے ذرائع آمدن میں سے ایک اہم ذریعہ ہے۔ مقامی طلب کو پورا کرنے کے بعد اسٹیل کا سیکٹر برآمدات کی جانب آنے کی قوت بھی رکھتا ہے لیکن ایسا صرف اسی وقت ممکن ہو سکتا ہے جب حکومت کی جانب سے اس سلسلے میں ایک مستقل پالیسی کے تحت اقدامات اٹھائے جائیں اور ایک ایسا لائحہ عمل دیا جائے جس پر سب کا اعتماد ہو۔

پاکستان ایسوسی ایشن آف لارج اسٹیل پروڈیوسرز (PALSP)

محض دو سال کے اندر ہی پاکستان ایسوسی ایشن آف لارج اسٹیل پروڈیوسرز (PALSP) نے خود کو ایک قابل اعتماد فورم برائے لارج اسٹیل سیکٹر کی حیثیت سے منوایا ہے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے PALSP کی ان تمام کوششوں کو سراہا جاتا ہے جن کے تحت ان کی جانب سے زیر نظر مالی سال کے دوران انتہائی اہم مسائل کے حل کی جانب پیش رفت کی گئی جن میں ٹیکسوں اور ٹرن اوور ٹیکسوں کی شرح کو کم شرح فیصد پر لانے کے اقدامات شامل ہیں، اسٹیل ڈیلروں، سب ڈیلروں اور ڈسٹری بیوٹرز اور ریٹیلرز کے ٹرن اوور ٹیکسوں میں کمی لائی گئی اور کمی کے بعد یہ ٹیکس 1.25 فیصد سے کم ہو کر 0.25 رہ گئے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے PALSP سے درخواست کی جاتی ہے کہ اسٹیل کے کاروبار کیلئے کوئی ریلیف حاصل کرنے کی غرض سے حکومتی اداروں کے ساتھ مل کر بھرپور کوشش کی جائے کیونکہ ان نامساعد معاشی حالات میں یہ کاروبار اپنی بقاء کی جنگ لڑ رہا ہے، اس ضمن میں درج ذیل گزارشات گوشگوار ہیں:

☆ مقامی طور پر عدم دستیاب بنیادی خام مال پر عائد 5 فیصد ریگولیٹری ڈیوٹی کو ختم کیا جائے؛

☆ ایچ ایم ایس (HMS) پر عائد شدہ 3 فیصد کسٹم ڈیوٹی اور اسکرپ پر عائد 2 فیصد اضافی کسٹم ڈیوٹی کو ختم کیا جائے؛

☆ سلیز ٹیکس میں 50 فیصد تک کمی لائی جائے؛

☆ حجم میں کثیر اور منفعت میں قلیل ہونے کی وجہ سے اسٹیل مینوفیکچررز پر کاروباری حجم ٹیکس میں کمی لائی جائے اور اس ٹیکس کی شرح کو 1.25 فیصد سے کم کر کے 0.5 کی حد تک نیچے لایا جائے۔

☆ فننس بل 2023 میں ترمیم کے بعد گزشتہ سالوں سے وابستہ کاروباری حجم ٹیکس کی ایڈجسٹمنٹ کو تین سال کی مدت کیلئے مختص کیا گیا ہے اسے اس کی گزشتہ پانچ سال کی مدت کے ساتھ

بحال کیا جائے؛

اسکریپ کی قیمت میں اضافہ، افراط زر کو کنٹرول کرنے کیلئے پالیسی ریٹ میں کیا جانے والا زبردست اضافہ، جس کی وجہ سے چوتھی سہ ماہی میں فنانسنگ کی لاگت بہت بڑھ گئی، جو کہ نقصان کو بڑھانے کا سبب بنا۔

خام منافع میں کمی کے بعد صفائی نقصان میں مزید اضافہ ہوا اور یہ نقصان 470 ملین روپے تک جا پہنچا جبکہ تیسری سہ ماہی کے دوران 530 ملین روپے کا منافع کمایا گیا تھا جس کی بنیادی وجہ 10 فیصد کا وہ سپرنٹیکس تھا جس کی تاریخ میں کوئی مثال نہیں ملتی اور اس طرح سپرنٹیکس 509 ملین روپے تک جا پہنچا جس کے بعد ٹیکس کی شرح تاریخ کی بلند ترین 39 فیصد ہو گئی۔ تاریخی لحاظ سے سپرنٹیکس کے نفاذ کو پاکستان کے کاروباری حلقوں کی جانب سے کاروبار کیلئے ہلاکت خیز قرار دیا گیا ہے۔ حالانکہ پاکستان میں کاروبار گیس اور بجلی کے غیر معمولی بھاری بھرم ٹیرف اور بلند شرح سود کی وجہ سے پہلے ہی بڑے بوجھ تلے دبا ہوا ہے۔ اگر روس یوکرین جنگ نے سر نہ اٹھایا ہوتا، سیاسی عدم استحکام نہ آیا ہوتا، غیر معمولی FCA نافذ نہ کیا گیا ہوتا اور 10 فیصد کی شرح سے غیر معمولی سپرنٹیکس نہ لگایا گیا ہوتا تو زیر نظر مالی سال کے دوران آپ کی کمپنی تقریباً 2.1 ارب روپے کا تاریخی منافع کما سکتی تھی۔

مستقبل پر نظر

اسٹیل کی عالمی تنظیم The World Steel Association کی جانب سے مالی سال 2023 کیلئے اسٹیل کی طلب میں اضافے کا عندیہ دیا گیا ہے۔ البتہ روس یوکرین کے درمیان جاری جنگ کے بعد خام مال کی قیمت میں اضافے اور نتیجتاً اسٹیل کی پیداواری لاگت میں اضافے، سپلائی چین میں جاری تباہی، توانائی اور اشیاء کی بڑھتی ہوئی قیمتوں اور اس کے ساتھ ساتھ عالمی مالیاتی مارکیٹ میں زبردست اتار چڑھاؤ کے باعث عالمی سطح پر اسٹیل کی صنعت اور اسٹیل کی طلب کیلئے مسائل اپنی جگہ موجود رہیں گے۔

اس کے متوازی، پاکستان کی معیشت بھی بڑے مسائل سے دوچار ہے جس کی وجوہات میں کرنٹ اکاؤنٹ کا بڑھتا ہوا خسارہ، توانائی اور پیٹرولیم مصنوعات کی ہوشربا قیمتیں، تاریخ کی بلند ترین مہنگائی، ڈالر کے مقابلے میں روپے کی تیزی کے ساتھ گرتی ہوئی قدر اور مبادلہ کے تیزی سے گرتے ہوئے ذخائر شامل ہیں۔ گوکہ سال کے اختتام تک معیشت نے ان تمام مشکلات کو جذب کرنے کی کوشش کی ہے، لیکن دوسری جانب قوم کو مومن سون کی بارشوں کے بعد سے تاریخ کی سب سے بڑی سیلابی تباہ کاریوں سے واسطہ پڑا ہوا ہے، یہ آفت جون 2022 کے وسط سے ہم پر مسلط ہے جس کے باعث پورے پاکستان میں تباہی کی صورتحال ہے۔ تقریباً 20 لاکھ گھراس سیلاب سے متاثر ہوئے ہیں، 21 لاکھ ہیکٹر زرعی اراضی زیر آب آچکی ہے اور تقریباً 1200 افراد اپنی قیمتی جانوں سے ہاتھ دھو بیٹھے ہیں۔ رپورٹ ہذا کی تاریخ تک، مجموعی طور پر 10 سے 12 ارب امریکی ڈالر کا نقصان پہنچ چکا ہے۔ مالی سال 2023 کی پہلی سہ ماہی کے دوران پیداواری صنعت میں کمی آنے کا خدشہ ہے اور کمی کا یہ رجحان دوسری اور تیسری سہ ماہی تک بھی جاسکتا ہے۔ لہذا تعمیراتی صنعت بالعموم اور اسٹیل کی صنعت بالخصوص ایک ایسے دور سے گزر رہی ہے جس میں قومی سطح پر صنعتی سیکٹر تقریباً 50 فیصد تک اپنی پیداواری صلاحیتوں کو بند کر چکا ہے کیونکہ طلب میں کمی کا رجحان اپنی جگہ برقرار ہے۔

مومن سون کی موسلا دھار بارشوں اور بڑے پیمانے پر آنے والی تباہی کے نتیجے میں طلب میں اس حد تک کمی آچکی ہے کہ زیادہ تر کاروباری حلقوں کی جانب سے اپنی مصنوعات انتہائی کم قیمت پر بیچا جا رہا ہے تاکہ کم از کم پیداواری لاگت کا حصول ممکن بنایا جاسکے۔ آمدن کے ذرائع انتہائی قلیل ہو چکے ہیں جس کی وجہ یا تو فنڈز کی ادائیگیوں میں تاخیر ہے اور یا پھر خریداروں کے پاس ادائیگیوں کیلئے فوری رقم کا نہ ہونا ہے۔

یہ وقت تمام کاروباری حلقوں بشمول صنعتی لیڈرز کیلئے بھی ایک کڑی آزمائش کا وقت ہے۔ معاشی اور سیاسی حالات اس قدر غیر یقینی سے دوچار ہیں کہ اگر روزانہ نہ بھی صحیح تو کم از کم ہر ہفتے کاروباری حکمت عملی کو تبدیل کرنے کی ضرورت محسوس ہوتی ہے۔ اس طرح غیر مستحکم ماحول میں کام کرنے اور فاتح کے طور پر سامنے آنے کے لئے بہت زیادہ تدبیریں کرنے، دنیا سے ہٹ کے سوچنے، اضافی کوششیں کرنے اور فولادی اعصاب کے ساتھ لچکدار حکمت عملی بنانے کی ضرورت ہوگی۔ اس انتہائی درگروں صورتحال میں بھی آپ کی کمپنی اس بات کیلئے پراعتماد ہے کہ ایک مرتبہ سیاسی منظر نامے سے گردوغبار چھٹے گی اور حکومت کی جانب سے انفراسٹرکچر کی بحالی کی جانب توجہ مرکوز ہو جائے گی، تب پورے ملک کی سطح پر تعمیراتی منصوبوں کا بھرپور آغاز ہو جائے گا جس میں سے کچھ درج ذیل ہیں:

تفصیلات	30 جون 2022	30 جون 2021
(روپے ہزاروں میں).....	
آمدن از فروخت	58,184,282	39,218,453
خام منافع	6,491,487	4,542,138
کاروباری منافع	4,384,761	3,011,829
منافع قبل از ٹیکس	2,078,064	1,383,951
منافع بعد از ٹیکس	1,325,515	1,368,259
آمدن فی حصص بنیادی و تخمیلی (روپے میں)	4.46	4.61

جہاں تک فروخت کے حجم میں اضافے کا تعلق ہے، زیر نظر مالی سال کے دوران آپ کی کمپنی نے پرائم ریٹرز کے ضمن میں 361,587 میٹرک ٹن کا ہدف حاصل کیا ہے۔ مزید برآں، آپ کی کمپنی کی جانب سے بلٹس کی 380,817 میٹرک ٹن اور ریٹرز کی 370,566 میٹرک ٹن کی ریکارڈ پیداوار کی ہے جبکہ گزشتہ مالی سال 2021 کے اسی عرصے کے دوران بلٹس کی پیداوار 366,400 میٹرک ٹن اور ریٹرز کی پیداوار 356,316 میٹرک ٹن تھی۔ مذکورہ بالا مصائب (جو کہ چوتھی سہ ماہی میں رونما ہوئے) کے باوجود، پیداوار اور فروخت کے حجم میں زبردست اضافہ کمپنی کی مستعد سپلائی چین اور ملک کے طول عرض میں کمپنی کے ترسیل کے نظام کی بدولت ممکن ہوا۔

زیر نظر مالی سال کے دوران کمپنی کا خام منافع جو گزشتہ سال 4.5 ارب روپے تھا 6.5 ارب روپے رہا۔ تاہم اس کے مارجنز 11.58 فیصد سے کم ہو کر 11.16 فیصد ہو گئے جس کی بنیادی وجہ کے الیکٹریک کی جانب سے مئی اور جون 2022 کے مہینوں میں عائد کئے جانے والے "فیول چارجز ایڈجسٹمنٹ" (FCA) تھے۔ اس کے علاوہ، روس اور یوکرین کی جنگ کے باعث عالمی سطح پر اسکرپ کی قیمتوں میں بھی بے پناہ اضافہ ہو گیا، نیز بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور تیزی سے گرتے ہوئے زرمبادلہ کے ذخائر کی وجہ سے ہمارے روپے کی قدر میں تیزی سے کمی آئی، ان تمام عوامل کے اثرات بھی اس کی میں شامل ہیں۔

زیر نظر مالی سال کے دوران 44 فیصدی زبردست شرح نمو کے ساتھ کاروباری منافع 4.4 ارب روپے رہا جبکہ گزشتہ مالی سال کے دوران کاروباری منافع 3.0 ارب روپے ریکارڈ کیا گیا تھا۔ اگر آمدن کی شرح فیصد کے اعتبار سے دیکھا جائے تو ڈسٹری بیوشن اور انتظامی امور کے اخراجات میں معمولی سی کمی واقع ہوئی ہے اور یہ اخراجات قابو میں رہے۔ گزشتہ مالی سال فنانشنگ پر آنے والی لاگت 1.62 ارب روپے کے مقابلے میں زیر جائزہ مالی سال کے دوران فنانشنگ کی لاگت میں خاطر خواہ اضافہ ہوا ہے اور اس اضافے کے بعد یہ لاگت 2.3 ارب روپے بنتی ہے، اس کی وجہ ایک جانب تولنے کئے گئے قرضوں میں اضافہ اور دوسری وجہ فنانشنگ کی لاگت میں اضافہ بھی ہے۔ زیر نظر مالی سال کے نومبر (2021 ستمبر تا 2022 جولائی) کے دوران KIBOR میں 800 بیسس پوائنٹس کے ساتھ تاریخ کا بلند ترین اضافہ ہوا جو کہ بالترتیب 7 فیصد سے بڑھ کر 15 فیصد تک جا پہنچا۔

آپ کی کمپنی کی جانب سے اس دورانیے میں قبل از ٹیکس 2.08 ارب روپے کا منافع کمایا گیا ہے جبکہ منافع بعد از ٹیکس 1.33 ارب روپے رہا، گزشتہ مالی سال کے دوران منافع قبل از ٹیکس 1.38 ارب روپے تھا اور منافع بعد از ٹیکس 1.36 ارب روپے ریکارڈ کیا گیا تھا۔ اس سال کمپنی کی جانب سے آمدن فی حصص 4.46 روپے رہی جبکہ گزشتہ مالی سال کے دوران آمدن فی حصص 4.61 روپے ریکارڈ کی گئی تھی۔

اگر الوداع ہونے والے مالی سال کی چوتھی سہ ماہی کا موازنہ تیسری سہ ماہی کے ساتھ کیا جائے تو آپ کی کمپنی کی صافی فروخت معمولی کمی کے ساتھ 15.9 ارب روپے سے 15.6 ارب روپے ہو گئی ہے یعنی 0.27 ارب روپے کمی واقع ہوئی ہے۔ صافی فروخت میں کمی کی وجہ چوتھی سہ ماہی میں فروخت کے حجم میں ہونے والی کمی تھی اور یہ کمی ملک میں پائی جانے والے سیاسی عدم استحکام کی وجہ سے ہوئی حالانکہ فروخت کے حجم کے اعتبار سے یہ بہترین سہ ماہی کہی جاسکتی ہے۔ زیر نظر مالی سال کی تیسری سہ ماہی کے کاروباری منافع کے مقابلے میں چوتھی سہ ماہی کا کاروباری منافع کم رہا جس کی اصل وجہ ڈسٹری بیوشن اور انتظامی اخراجات میں ہونے والا اضافہ تھا۔ اس طرح کمپنی کی جانب سے قبل از ٹیکس 37 ملین روپے کا نقصان کیا گیا جبکہ تیسری سہ ماہی کے دوران 56.6 ملین روپے کا منافع کمایا گیا تھا، اس کی بنیادی وجہ خام منافع میں کمی تھی جو 10.73 فیصد (تیسری سہ ماہی) سے کم ہو کر 8.9 فیصد (چوتھی سہ ماہی) تک رہ گیا۔ خام منافع میں اس کمی کی بنیادی وجہ سیاسی عدم استحکام کی وجہ سے طلب میں ہونے والی کمی اور FCA (488 ملین روپے) کی بنیاد پر بجلی کی لاگت میں آنے والا زبردست اضافہ تھا۔ علاوہ ازیں،

حصہ ملایا جاتا رہا ہے اور یوں حالیہ مالی سال میں شرح نمو 10.7 فیصد ریکارڈ کی گئی ہے جو عالمی وباء کی صورت حال سے پیشتر شرح نمو سے مطابقت رکھتی ہے حالانکہ گزشتہ سال کے دوران یہ شرح نمو 8.5 فیصد تک ریکارڈ کی گئی تھی۔ دوران سال اس شعبے میں اپنا حصہ ملانے والے بڑے سیکٹرز میں آٹوموبائل، آئرن اینڈ اسٹیل پروڈکٹس، پیپرا اینڈ بورڈ، ملبوسات، فرنیچر، لکٹری، تمباکو اور کھیلوں کے سامان بنانے والے شامل ہیں۔

مجموعی طور پر معاشی شرح نمو اس سے بھی بہتر ہو سکتی تھی اگر رواں مالی سال کی تیسری سہ ماہی کے اواخر میں سیاسی بحران نہ پیدا ہوتا جس کے باعث پورے ملک میں سیاسی اور معاشی عدم استحکام کی صورت حال نے جنم لیا۔ گوکہ ہماری معیشت پہلے ہی اس بے مثال سیاسی بحران کو جذب کرنے کی صلاحیت سے عاری تھی، نئی حکومت کی جانب سے جارحانہ طور پر اپنی آمدن (ٹیکسز) میں اضافہ کرنے کیلئے اٹھائے جانے والے اقدامات اسٹیل سمیت تیرہ شعبوں پر عائد کیا جانے والا 10 فیصد امتیازی سپر ٹیکس ہماری معیشت کی مزید بربادی کا باعث بنے اور کاروباری طبقے کے جذبات بری طرح مجروح ہوئے ہیں۔

مالی سال اختتامیہ 30 جون 2022 کی مالیاتی کارکردگی

سبکدوش ہونے والے مالی سال 2022 کے ابتدائی نو ماہ کے دوران آپ کی کمپنی ترقی کی راہ پر گامزن تھی اور کمپنی کی جانب سے خاطر خواہ فروخت اور منافع ریکارڈ کیا گیا جس کا اظہار ذیل میں دی گئی تفصیلات سے بخوبی ہوتا ہے:

تفصیلات	پہلی سہ ماہی اختتامیہ 30 ستمبر 2021	شش ماہی اختتامیہ 31 دسمبر 2021	نومابہ اختتامیہ 31 مارچ 2022
 (روپے ملین میں)		
صافی فروخت	11,844	26,621	42,537
خام منافع	1,692	3,391	5,099
منافع بعد از ٹیکس	702	1,303	1,834
فروخت (میٹرک ٹن میں)	85,356	178,912	275,549

مذکورہ بالا جدول سے ظاہر ہوتا ہے کہ زیر نظر نو ماہ کے دوران گزشتہ مالی سال کی نو ماہی کے مقابلے میں صافی فروخت میں 56 فیصد تک اضافہ ہوا ہے جس میں قیمتوں میں 51 فیصد کے اضافے اور فروخت کے حجم میں ہونے والے 5 فیصد اضافے کی جھلک بھی نظر آ رہی ہے۔ قیمت میں ہونے والے اس اضافے میں کل پیداواری لاگت کے باعث افراط زر اور عالمی سطح پر اسکرپ کی قیمت میں ہونے والے 53 فیصد اضافے، روپے کی قدر میں آنے والی 8 فیصد کمی اور توانائی (بشمول فیول ایڈجسٹمنٹ چارجز) کی قیمت میں ہونے والے 17 فیصد اضافے کے مجموعی اثرات شامل ہیں اور اس کے علاوہ دیگر خام مال کی اضافی قیمتوں کے اثرات کو بھی اس میں شامل کیا گیا ہے۔ فروخت کے حجم میں ہونے والے اضافے میں کمپنی کی مارکیٹ میں بہتر پہنچ کی جھلک نظر آتی ہے اور اس میں کووڈ کے بعد سازگار کاروباری حالات کے اثرات اور حکومت کی جانب سے دی جانے والی ترغیبات کے اثرات بھی شامل ہیں، جیسا کہ حکومت کی جانب سے کم شرح سود پر ہاؤسنگ کیلئے قرضے فراہم کئے گئے، ٹیکس کی چھوٹ دی گئی اور تعمیراتی پیکیجز پیش کئے گئے۔ (معزز حصص داران اس سالانہ رپورٹ کے صفحہ نمبر 121 پر سہ ماہی کی بنیادوں پر تفصیلی جائزے کو ملاحظہ کر سکتے ہیں)۔

سال کے اختتام کی طرف بڑھتے ہوئے، زیر نظر مالی سال کی آخری سہ ماہی میں آپ کی کمپنی اپنی رفتار کو برقرار نہ رکھ سکی جس کی وجہ چوتھی سہ ماہی میں پیش آنے والے ناقابل تلافی معاشی اور سیاسی مسائل تھے جس کے باعث بالآخر بڑھتی ہوئی فروختگی میں واضح کمی نظر آنا شروع ہوئی، لہذا تیسری سہ ماہی میں رپورٹ کی جانے والی 56 فیصد شرح نمو چوتھی سہ ماہی میں گھٹ کر 48.4 فیصد تک کم ہو گئی۔

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ آپکی کمپنی کی ڈائریکٹرز رپورٹ بمعہ سالانہ آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 جون 2022 آپکی خدمت میں پیش کر رہے ہیں۔

عالمی معیشت

عالمی سطح پر معیشت میں تسلسل کے ساتھ اور وسیع پیمانے پر بگاڑ دیکھا جا رہا ہے۔ عالمی بینک کی جانب سے عالمی معیشت کے مستقبل سے متعلق جاری کردہ حالیہ رپورٹ کے مطابق روس کی جانب سے یوکرین پر کئے جانے والے غیر متوقع حملے کی وجہ سے اشیاء کی مارکیٹ اور سپلائی چین عالمی سطح پر بری طرح متاثر ہوئی ہے اور افراط زر بڑھنے کے ساتھ ساتھ مالی نظام بھی زبوں حالی کا شکار ہے، علاوہ ازیں عالمی وباء کے بعد اس جنگ کے نتیجے میں عالمی سطح پر تمام معاشی سرگرمیاں انتہائی سست روی کا شکار ہو چکی ہیں۔ روس عالمی سطح پر تیل، گیس، دھاتوں اور دیگر خاص اقسام کے خام مال فراہم کر رہا ہے اور یوکرین عالمی سطح پر گندم اور مکئی کا فراہم کنندہ ہے۔ ان تمام اشیاء کی سپلائی میں کمی کی وجہ سے عالمی مارکیٹ میں ان کی قیمتوں میں ہوشربا اضافہ ہوا ہے یعنی اس جنگ کے منفی معاشی اثرات اب بڑے پیمانے پر محسوس کئے جانے لگے ہیں۔ ان اثرات کی وجہ سے عالمی سطح پر کاروباری دنیا میں اعتماد سازی کا فقدان نظر آتا ہے۔ اس ماحول میں ابھرتی ہوئی معیشتوں اور ترقی پذیر ممالک میں جہاں پہلے ہی غربت سراٹھا رہی ہے اب غذائی بحران بھی جنم لے رہا ہے۔

علاوہ ازیں، قیمتوں میں اضافے کی وجہ سے کئی ممالک میں مانیٹری پالیسی کو سخت کر دیا گیا ہے جس کے باعث نہ صرف مجموعی خطرات میں اضافہ ہوا ہے بلکہ معاشی ترقی کیلئے بھی مسائل پیدا ہو چکے ہیں۔ شرح نمو میں کمی اور افراط زر کا دباؤ توقع سے زیادہ طویل عرصہ تک برقرار رہنے کا امکان ہے کیونکہ کئی ممالک میں براہ راست سرمایہ کاری کی سطح انتہائی کم رہی ہے۔ عالمی سطح پر سال 2022 کے دوران افراط زر کی شرح 6.7 فیصد تک رہنے کا امکان ہے جو کہ 2010-2020 کے دوران رہنے والی افراط زر کی اوسط شرح 2.9 کے مقابلے میں دوگنی ہے۔ لہذا ابھرتی ہوئی اور ترقی پذیر معیشتیں ہوں یا ترقی یافتہ معیشتیں دونوں ہی ایک طویل عرصے کیلئے افراط زر کا شکار رہیں گی۔

اقوام متحدہ کے شعبہ برائے معاشی و معاشرتی امور (Department of Economic and Social Affairs) کی جانب سے جاری کردہ حالیہ رپورٹ کے مطابق مالی سال 2022 اور 2023 کے دوران عالمی معیشت کی شرح نمو محض 3.1 فیصد رہنے کا امکان ہے۔ جس کی بنیادی وجوہات یوکرین میں جاری جنگ کے باعث پیدا ہونے والے خطرات، عالمی وباء کی نئی لہر اور ترقی یافتہ ممالک کی جانب سے مالیاتی پالیسیوں کو ممکنہ طور پر مزید سخت کیا جانا ہے۔

عالمی برادری کا حصہ ہونے کے ناطے دنیا بھر میں مہنگائی اور ترسیلی نظام میں خلل کے اثرات مقامی معیشت پر بھی دیکھے جاسکتے ہیں جس کے باعث مقامی سطح پر توانائی، یٹیلیٹی، دھاتوں، اشیاء اور غذائی اجناس وغیرہ کی قیمتوں میں ہوشربا حد تک اضافہ ہو چکا ہے۔

ملکی معیشت

پاکستانی معیشت مقامی طور پر اندرونی کھپت اور افراط زر کا شکار رہنے کے باوجود، مجموعی قومی پیداوار (GDP) کی شرح 5.97 فیصد کا حصول ممکن بنا سکی جبکہ گزشتہ مالی سال کے دوران خام قومی پیداوار کی شرح 5.74 فیصد ریکارڈ کی گئی تھی اور ہنوز ملکی معاشی اشاریوں میں پائے جانے والے عدم توازن کی جانب کوئی توجہ نہیں دی گئی۔ آئندہ مالی سال یعنی 2023 کے دوران خام قومی پیداوار (GDP) کی شرح کیلئے 5.0 فیصد کا تخمینہ لگایا گیا ہے، زراعت، صنعت اور خدمات کے شعبوں میں شرح نمو بالترتیب 3.9، 5.9 اور 5.1 فیصد رہنے کی توقع ظاہر کی جا رہی ہے۔ موجودہ معاشی عدم توازن اور شرح مبادلہ کی انتہائی بلند سطح کے پیش نظر مالی سال 2023 کیلئے مختص کی جانے والی شرح نمو کا حصول ممکن نظر نہیں آتا۔ مزید برآں، سیاسی عدم استحکام کا چڑھتا ہوا پارہ بھی کسی صورت نیچے جاتا ہوا دکھائی نہیں دیتا۔

پاکستان معاشی جائزے (Pakistan Economic Review) کے مطابق پاکستان میں مالی سال 2022 کے دوران صنعت کے شعبے میں شرح نمو 7.2 فیصد رہی جبکہ گزشتہ مالی سال 2021 کے دوران یہ شرح نمو 7.8 فیصد ریکارڈ کی گئی تھی۔ صنعتی سیکٹر کی کارکردگی کا انحصار مینوفیکچرنگ کے شعبے پر زیادہ ہوتا ہے جس کا حصہ صنعت کے شعبے میں 65 فیصد بنتا ہے۔ اور مینوفیکچرنگ کے شعبے میں بھی بڑے پیمانے پر مینوفیکچرنگ (Large Scale Manufacturing-LSM) کا حصہ 74 فیصد بنتا ہے، اس LSM شعبے کی جانب سے شرح نمو میں اپنا

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 2021-22. 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 four Non-Executive Directors of which three are independent.

Chair: Mr. Teizoon Kísat (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 Kísat	06
Mr. Zafar Ahmed Taji	06
Mr. Badar Kazmi	04
Ms. Kinza Shayan	06

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 2022, 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 2021-22, the Company has entered into certain related party transactions as disclosed in the note 44 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 11 August 2021, the Audit Committee recommended to the Board re-appointment of external auditors along with fixing remuneration for the year ending 30 June 2022. The Shareholders approved the recommendation in Annual General Meeting held on 21 October 2021 and M/s. EY Ford Rhodes., Chartered Accountants were appointed as external auditors of the Company for the year ending 30 June 2022.

Internal Auditor

The internal audit function is outsourced by the Company to M/s BDO Ebrahim & Co. The Company has appointed a fulltime employee as Head of Internal Audit holding equivalent qualification prescribed under the CCG Regulations 2019, to act as coordinator between the firm providing internal audit services and the Board. The Committee met the Audit firm and Head of Internal Audit separately without executive management being present to discuss, among other matters, management's responsiveness to internal audit recommendations and the effectiveness of the internal audit process. The findings were carefully considered by the Committee, 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 policies, 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 policies 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 Management Committees include Price Setting Committee, Human Resource Steering Committee, Scrap Planning Committee, SAP Steering Committee, IT Steering Committee and Enterprise Risk Management 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 Kijat (an Independent Director) was present in the 37th AGM of the Company which was held on 21 October 2021, 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 2022 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 2022 stands Nil.

A Performance That Exhibits Elegance

Financial Highlights





★★★★★
50
YEARS
SOLID

Six Years At A Glance

FINANCIAL POSITION

Assets Employed

	Rs. In Million					
	2022	2021	2020 (Restated)	2019 (Restated)	2018	2017
Property, plant and equipment	21,578	20,146	17,651	16,966	15,529	12,253
Right of use asset	77	100	72	-	-	-
Intangible assets	12	19	24	32	28	20
Long-term investments	14	15	15	15	15	15
Long-term deposits	204	152	135	138	136	129
Current assets	21,665	15,934	17,345	12,396	10,935	5,791
Total Assets	43,550	36,366	35,243	29,547	26,643	18,209

Financed By

Share capital and reserves	15,255	13,941	10,951	12,196	12,880	11,146
Long-term liabilities						
- Long-term financing	4,821	4,821	5,430	1,507	2,204	712
- Current portion of long-term financing	1,354	1,129	812	1,187	775	310
	6,175	5,950	6,241	2,693	2,980	1,022
Non-current and deferred liabilities	1,749	1,116	847	1,369	1,162	1,222
Current liabilities	21,725	16,489	18,015	14,475	10,396	5,129
Current portion of long term finance	(1,354)	(1,129)	(812)	(1,187)	(775)	(310)
	20,371	15,359	17,204	13,288	9,621	4,819
Total Funds Invested	43,550	36,366	35,243	29,547	26,643	18,209

OPERATIONS

Turnover - net	58,184	39,218	26,532	28,596	15,501	13,284
Gross profit	6,491	4,542	1,813	2,424	2,758	2,468
Operating profit	4,385	3,033	356	1,195	1,871	1,697
EBITDA	5,100	3,571	1,229	1,892	2,305	2,025
Profit / (loss) before tax	2,078	1,384	(1,943)	(67)	1,394	1,445
Profit / (loss) after tax	1,326	1,368	(1,242)	33	1,585	1,074
Total comprehensive income / (loss)	1,314	2,990	(1,246)	17	2,328	1,050
Capital expenditures	2,158	1,273	1,369	2,122	2,916	4,133
Earnings per share / (loss per share)	4.46	4.61	(4.18)	0.11	5.34	3.62

CASH FLOW SUMMARY

Net cash (used in) / generated from operating activities	(2,199)	2,440	(4,003)	749	(2,219)	3,649
Net cash used in investing activities	(2,138)	(1,146)	(1,361)	(2,137)	(2,924)	(4,133)
Net cash generated / (used) from financing activities	4,523	(1,996)	5,825	1,404	5,204	172
Increase / (decrease) in cash and cash equivalents	185	(701)	462	16	62	(312)
Cash and cash equivalents at end of the year	(1,660)	(1,846)	(1,144)	147	131	70

Vertical Analysis

BALANCE SHEET

	2022	2021	2020 (Restated)	2019 (Restated)	2018	2017
	%	%	%	%	%	%
EQUITY AND LIABILITIES						
Share Capital And Reserves						
Share capital	6.82	8.17	8.43	10.05	11.15	16.31
Capital reserves	6.40	7.67	7.91	9.44	10.47	15.32
Revenue reserves – accumulated profit	13.47	12.30	8.41	13.99	17.74	20.11
Actuarial loss on gratuity fund	-0.17	-0.18	-0.17	-0.19	-0.15	-0.17
Revaluation surplus on property, plant and equipment	8.51	10.38	6.49	7.99	9.14	9.64
	35.03	38.33	31.07	41.28	48.34	61.21
Non Current Liabilities						
Long term financing	11.07	13.26	15.41	5.10	8.27	3.91
long term provision	0.35	0.46	0.00	0.00	0.00	0.00
Loan from related parties	0.78	0.94	0.97	0.95	0.00	0.00
Deferred liability - defined benefit obligation	0.85	0.85	0.72	0.70	0.58	0.64
Deferred taxation	1.47	0.59	0.51	2.99	3.78	6.07
Lease liabilities	0.17	0.23	0.18	0.00	0.00	0.00
Government grant	0.39	0.00	0.02	0.00	0.00	0.00
	15.09	16.33	17.81	9.73	12.64	10.62
Current Liabilities						
Trade and other payables	14.32	13.96	10.59	12.05	8.21	5.26
Contract liabilities	2.24	1.37	2.73	0.95	0.90	0.87
Unclaimed dividend	0.01	0.02	0.02	0.02	0.01	0.01
Interest / mark-up accrued	1.20	0.73	1.64	1.19	0.51	0.31
Short term borrowings	28.87	26.05	33.80	30.76	26.47	19.92
Current portion of long-term financing	3.11	3.11	2.30	4.02	2.91	1.70
Current portion of lease liabilities	0.03	0.06	0.02	0.00	0.00	0.00
Current portion of government grant	0.10	0.03	0.01	0.00	0.00	0.00
Taxation - net	0.00	0.00	0.00	0.00	0.00	0.09
	49.88	45.34	51.12	48.99	39.02	28.17
TOTAL EQUITY AND LIABILITIES	100.00	100.00	100.00	100.00	100.00	100.00
ASSETS						
Non-Current Assets						
Property, plant and equipment	49.55	55.40	50.08	57.42	58.28	67.29
Intangible assets	0.03	0.05	0.07	0.11	0.10	0.11
Long-term investments	0.03	0.04	0.04	0.05	0.06	0.08
Right of use assets	0.18	0.28	0.21	0.00	0.00	0.00
Long-term deposits and loans	0.47	0.42	0.38	0.47	0.51	0.71
	50.25	56.19	50.78	58.05	58.96	68.20
Current Assets						
Stores and spares	6.33	4.00	4.78	4.53	3.26	3.40
Stock-in-trade	25.30	16.48	22.17	22.08	28.00	18.70
Trade debts	13.04	17.38	13.90	11.52	6.71	7.99
Loans and advances	0.12	0.09	0.08	0.06	0.09	0.12
Other receivables	0.00	0.76	1.50	0.43	0.85	0.97
Short term investment	0.00	0.00	0.00	0.00	0.00	0.00
Trade deposits & short term prepayments	0.07	0.06	1.82	0.12	0.17	0.24
Taxation - net	4.06	4.00	3.51	2.72	1.48	0.00
Cash and bank balances	0.82	1.04	1.45	0.50	0.49	0.38
	49.75	43.81	49.22	41.95	41.04	31.80
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00

Horizontal Analysis

BALANCE SHEET

	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
	%	%	%	%	%	%
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	31.19	50.89	-28.30	-12.58	29.07	17.84
Actuarial loss on gratuity fund	17.83	6.62	6.70	39.48	31.21	386.02
Revaluation surplus on property, plant and equipment	-1.83	64.93	-3.07	-3.01	38.71	-4.08
	9.43	27.31	-10.21	-5.31	15.56	4.26
Non Current Liabilities						
Long term financing	0.00	-11.22	260.34	-31.64	209.57	35.76
Long term provision	-7.49	100.00	0.00	0.00	0.00	0.00
Loan from related parties	0.00	0.00	21.90	100.00	0.00	0.00
Deferred liability - defined benefit obligation	19.64	21.37	24.01	31.95	33.12	62.02
Deferred taxation	200.99	18.46	-79.64	-12.26	-8.89	-3.03
Lease liabilities	-14.77	33.59	100.00	0.00	0.00	0.00
Government grant	18347.68	-87.87	100.00	0.00	0.00	0.00
	10.67	-5.41	118.29	-14.59	74.09	11.39
Current Liabilities						
Trade and other payables	22.87	36.07	4.81	62.68	128.41	-0.26
Contract liabilities	95.31	-48.10	242.89	16.78	51.55	31.87
Unclaimed dividend	-1.89	-4.54	-8.97	111.57	75.37	100.00
Interest / mark-up accrued	94.99	-53.74	63.76	160.07	140.66	16.89
Short term borrowings	32.71	-20.47	31.08	28.85	94.43	33.06
Current portion of long-term financing	19.87	39.16	-31.61	53.06	149.89	-35.85
Current portion of lease liabilities	-37.21	161.25	100.00	0.00	0.00	0.00
Current portion of government grant	241.31	196.42	100.00	0.00	0.00	0.00
Taxation - net	0.00	0.00	0.00	0.00	-100.00	100.00
	31.76	-8.47	24.46	39.23	102.67	18.21
TOTAL EQUITY AND LIABILITIES	19.75	3.19	19.28	10.90	46.32	8.61
ASSETS						
Non-Current Assets						
Property, plant and equipment	7.11	14.14	4.04	9.25	26.73	45.15
Intangible assets	-36.25	-23.25	-23.99	14.48	36.70	-23.71
Long-term investments	-6.54	0.00	0.00	0.00	0.00	0.00
Right of use assets	-23.84	38.48	100.00	0.00	0.00	0.00
Long-term deposits and loans	33.90	12.88	-2.02	1.58	4.81	-1.54
	7.11	14.16	4.36	9.19	26.49	44.15
Current Assets						
Stores and spares	89.35	-13.52	25.83	53.82	40.46	3.22
Stock-in-trade	83.87	-23.31	19.80	-12.56	119.11	-22.81
Trade debts	-10.12	28.98	44.01	90.34	22.85	-29.72
Loans and advances	56.99	17.73	53.82	-19.59	5.21	-82.31
Other receivables	-100.00	-47.87	314.40	-43.92	28.69	-58.75
Short term investment	0.00	0.00	0.00	0.00	0.00	-100.00
Trade deposits & short term prepayments	48.35	-96.72	1688.79	-18.75	0.65	-10.10
Taxation - net	21.47	17.62	54.05	104.52	100.00	-100.00
Cash and bank balances	-5.73	-25.68	246.41	12.18	88.44	-14.26
	35.97	-8.14	39.92	13.36	88.84	-28.95
TOTAL ASSETS	19.75	3.19	19.28	10.90	46.32	8.61

Vertical Analysis

PROFIT OR LOSS

	2022	2021	2020 (Restated)	2019	2018	2017
	%	%	%	%	%	%
Turnover - net	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	-88.84	-88.42	-93.17	-91.52	-82.20	-81.42
Gross profit	11.16	11.58	6.83	8.48	17.80	18.58
Distribution costs	-2.07	-2.41	-2.57	-2.51	-2.49	-2.54
Administrative expenses	-1.26	-1.41	-1.90	-1.61	-2.25	-2.16
Reversal of / (allowance for) expected credit losses	-0.01	0.18	-0.70	-0.14	-0.34	-0.28
Other income	0.04	-0.06	0.03	0.02	0.15	0.06
Other expenses	-0.32	-0.32	-0.36	-0.06	-0.79	-0.88
Operating profit	7.54	7.68	1.34	4.18	12.07	12.77
Finance costs	-3.96	-4.15	-8.67	-4.41	-3.07	-1.89
Profit / (loss) before taxation	3.57	3.53	-7.32	-0.23	9.00	10.88
Taxation	-1.29	-0.04	2.64	0.35	1.23	-2.79
Profit / (loss) after taxation	2.28	3.49	-4.68	0.11	10.23	8.09
Other comprehensive income	-0.02	4.14	-0.01	-0.06	4.79	-0.18
Total comprehensive Income	2.26	7.62	-4.70	0.06	15.02	7.90

Horizontal Analysis

PROFIT OR LOSS

	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
	%	%	%	%	%	%
Turnover - net	48.36	47.81	-7.22	84.48	16.69	7.13
Cost of sales	49.07	40.28	-5.55	105.40	17.81	12.57
Gross profit	42.92	150.51	-25.19	-12.14	11.76	-11.60
Distribution costs	27.29	38.64	-4.80	85.75	14.37	-1.19
Administrative expenses	32.70	10.18	9.02	32.25	21.40	38.02
Reversal of / (allowance for) expected credit losses	-107.44	-137.57	367.75	-24.23	40.35	370.49
Other income	1.61	195.31	15.09	-68.52	206.39	-52.22
Other expenses	50.62	31.15	433.15	-85.61	5.58	-29.37
Operating profit	45.58	745.41	-70.19	-36.11	10.25	-18.60
Finance costs	41.70	-29.20	82.15	165.01	89.33	-25.02
Profit / (loss) before taxation	50.15	-171.23	2793.08	-104.82	-3.52	-17.37
Taxation	4695.75	-102.24	601.10	-47.60	-151.39	-21.08
Profit / (loss) after taxation	-3.12	-210.16	-3883.96	-97.93	47.59	-16.01
Other comprehensive income	-100.71	-42994.79	-76.32	-102.15	-3135.90	-371.22
Total comprehensive Income	-56.05	-340.01	-7490.33	-99.28	121.84	-18.50

Vertical Analysis

CASH FLOW

Net cash generated from / (used in) operating activities
 Net cash used in investing activities
 Net cash (used in) / generated from financing activities
 Increase / (decrease) in cash and cash equivalents

	2022	2021	2020 (Restated)	2019	2018	2017
	%	%	%	%	%	%
Net cash generated from / (used in) operating activities	-1187	-348	-867	4692	-3607	-1171
Net cash used in investing activities	-1154	163	-295	-13384	-4753	1327
Net cash (used in) / generated from financing activities	2440	284	1262	8791	8459	-55
Increase / (decrease) in cash and cash equivalents	100	100	100	100	100	100

Horizontal Analysis

CASH FLOW

Net cash generated from / (used in) operating activities
 Net cash used in investing activities
 Net cash (used in) / generated from financing activities
 Increase / (decrease) in cash and cash equivalents

	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
	%	%	%	%	%	%
Net cash generated from / (used in) operating activities	-190	-161	-634	-134	-161	-470
Net cash used in investing activities	87	-16	-36	-27	-29	220
Net cash (used in) / generated from financing activities	-327	-134	315	-73	2924	-93
Increase / (decrease) in cash and cash equivalents	-126	-252	2791	-74	-120	-203

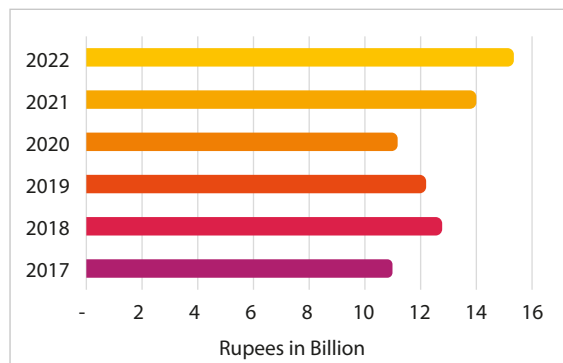
Six Years' Analysis

Financial Position, Performance & Cash Flows

Statement of Financial Position

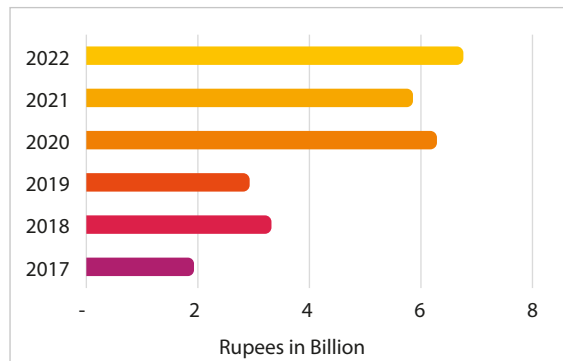
Shareholders' Equity:

The shareholders' equity of the Company presented a combination of trends during the last six years due to various factors. From FY 17 to FY 18, the reserves increased from Rs. 11.14 billion to Rs. 12.88 billion due to profits net of dividend and an increase in revaluation reserves due to the revaluation of assets. During FY 19 and FY 20, the shareholders' equity was reduced due to a decline in profits because of depressed economic conditions and the COVID-19 pandemic. However, in FY 21 & FY 22, the shareholder equity increased due to an increase in profits by Rs. 1.4 billion and Rs. 1.3 billion respectively in addition to the surplus on revaluation of fixed assets in FY 21.



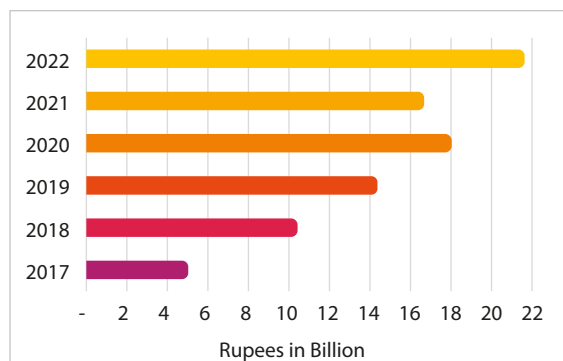
Non - Current Liabilities:

Non-current liabilities includes long-term borrowings, related party loans, deferred liabilities, deferred taxation, lease liabilities, and government grant. From FY 17 to FY 22, the non-current liabilities showed a mixed trend. The increase was mainly due to availing of term loans for capital expenditure and particularly in FY 20, the long-term loans increased to fund permanent working capital. In FY 21 and FY 22, the increase in long-term loans is attributable to financing of the solar power project, availing of salary refinance, and ITERF facility announced by the SBP to invest in equipment aimed at reducing the cost of production.



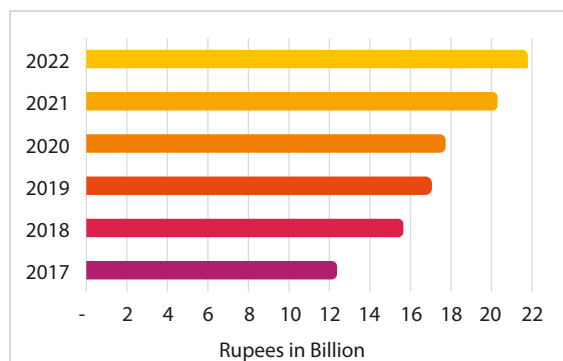
Current Liabilities:

Current liabilities comprise short-term borrowings, trade, and other payables, unclaimed dividends, current portion of long-term borrowing. The reasons for the increase in current liabilities are attributable to short-term borrowings and trade and other payables, which include financing from Islamic banks i.e., Murabaha. The increase in short-term borrowing represents increased working capital requirement as a result of an increase in capacity utilization, increase in international scrap prices, and massive rupee devaluations over the period.



Non - Current Assets:

It represents property, plant and equipment, long-term deposits, long-term investments, and intangible assets. Property, plant, and equipment. From FY 17 to FY 22 the increase represents the acquisition and installation of a new rolling mill of 425,000 MT annual capacity, expansion in billets manufacturing capacity (name plate) from 200,000 metric tons to 600,000 metric tons per annum, acquisition of land, and construction of Lahore and Islamabad warehouses, installation of 7.19 MW solar power plant at Dhabeji and various other projects aimed at reducing the cost of production and increasing production efficiencies.

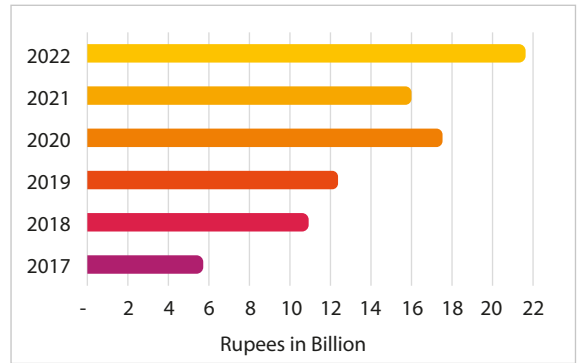


Six Years' Analysis

Financial Position, Performance & Cash Flows

Current Assets:

The current assets consist of stores & spares, stock in trade, trade debts, prepaid expenses, and cash and bank balances. As a result of an increase in production capacities and sales volume of the Company over the period, the current assets have also increased at a compounded annual growth rate of 30.2%. This increase is mainly contributed by the stock in trade, which in FY 17 was at Rs. 3.4 billion and stood at Rs. 11.01 billion in FY 22. This is also a result of increased capacity utilization, a surge in scrap prices and rupee devaluation besides an increase in other costs of input during this period. The trade debt surged from Rs. 1.4 billion in FY 17 to Rs. 5.6 billion in FY 22, which was in line with the increase in the top line of the Company.



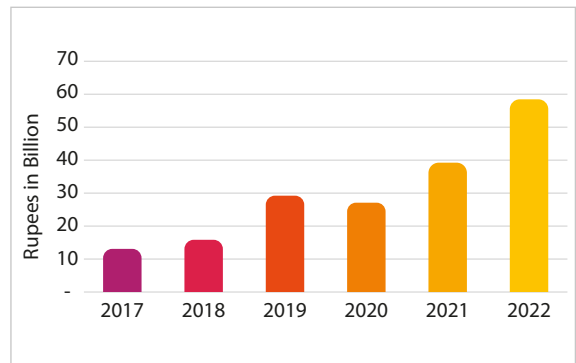
Six Years' Analysis

Financial Position, Performance & Cash Flows

Statement of Profit or Loss

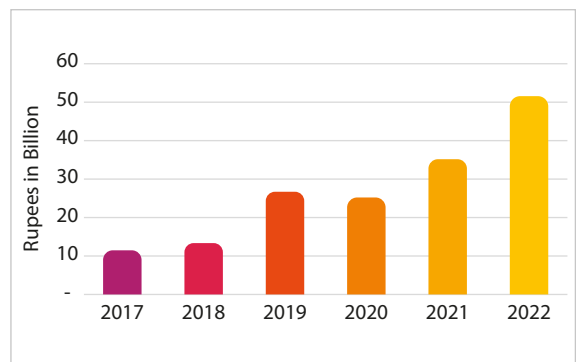
Sales:

The sales revenue registered a compounded annual growth rate of 34.37% since FY 17. The revenue growth represents both increase in sales quantity and price, which was supported by increased demand for construction materials. The sale quantities grew handsomely at a compounded annual growth rate of 17.22%. The Company is continuously increasing its footprints across the country and has been able to increase its sales in the northern region from 19% in FY 17 to 35% in FY 22. During FY 22, revenue increased by 48% year on year which is mainly attributable to price increases that were necessary to absorb the increasing cost of inputs which are discussed below. The sales quantities of FY 22 and FY 21 were almost the same.



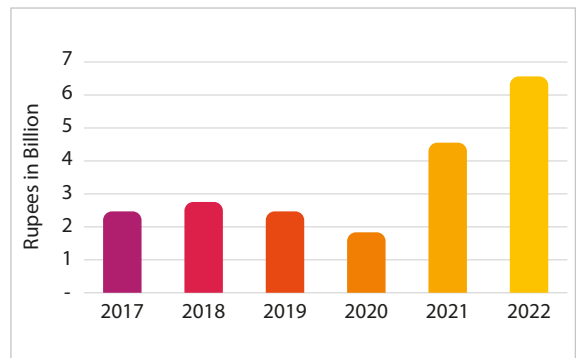
Cost of Sale:

The cost of sales has been increasing consistently on a year-on-year basis from FY 17 to FY 22, which was in line with the increase in sales revenue. However, the prime reason for the increase in the cost of sales from FY 19 to FY 22 has been a continuous weakening of the rupee against the dollar [from 124 in July-18 to 205 in June-22] and scrap prices that reached historical new heights after the resumption of global economy post-COVID-19 from USD 282 per metric ton to USD 516 per metric ton, increasing the cost of goods sold by many folds in FY 21. During FY 22 cost of sale increased by 49% year on year primarily due to a further increase in scrap prices from USD 516 per ton to USD 600 per ton after the Russia-Ukraine crisis which also resulted in a rising current account deficit and resultant rupee devaluation, unprecedented Fuel charges adjustment by K-Electric and increases in costs of other inputs due to all-time high inflation in the country.



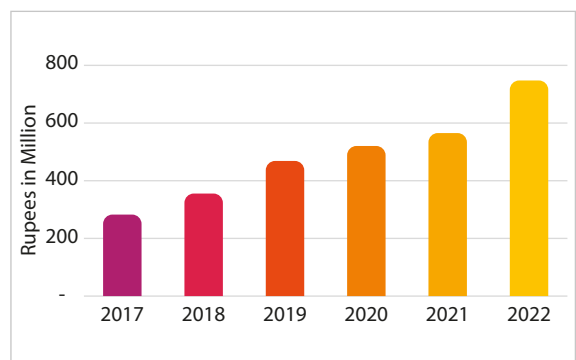
Gross Profit:

From FY 18 to FY 20, the gross margin declined from 18.5% to 6.83% due to the contraction of the economy, decline in the country's GDP, tightening of monetary policy, and an increase in costs of production as discussed above. In FY 21, the margin increased to 11.58% because of improvement in economic conditions and an increase in demand for construction materials due to the announcement of various stimulus packages. In FY 22, the gross margin slightly dropped to 11.16% primarily due to back-to-back significant events in the late third quarter and entire fourth quarter as discussed above. The gross profit in absolute terms, however, grew from Rs. 2.4 billion in 2017 to Rs. 6.4 billion in 2022 registering a compounded annual growth of 21.34%.



Administrative Cost:

Administrative costs increased from Rs. 288 million to Rs. 736 million from FY 17 to FY 22, however, in terms of percentage of sales it improved from 2.16% in FY 17 to 1.26% in FY 22. This 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.

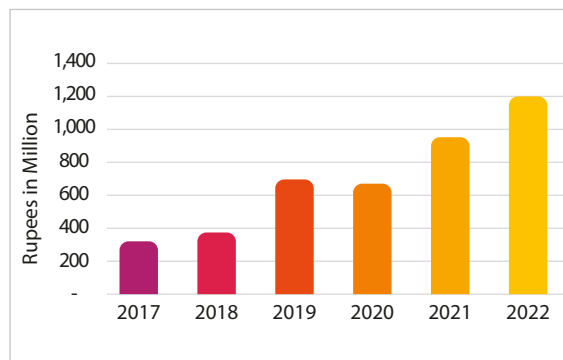


Six Years' Analysis

Financial Position, Performance & Cash Flows

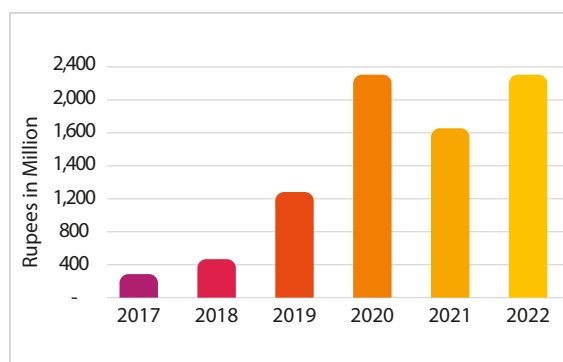
Distribution Cost:

Distribution costs increased in line with the increase in sales revenue of the Company from FY 17 to FY 22. The distribution cost-to-sales ratio declined from 2.54% in FY17 to 2.07% in FY 22. However, the increase in absolute terms, over the period is attributable to an increase in advertisement and sales & promotion. Furthermore, the Company has increased its footprint across the country and expanded its distribution operations in the northern region as a result of which the cartage and transport expenses have increased proportionately. Also, rising fuel cost has contributed to the increase in transportation charges. Salaries and wages have also increased over the years due to increase in human capital and an inflationary increase in cost.



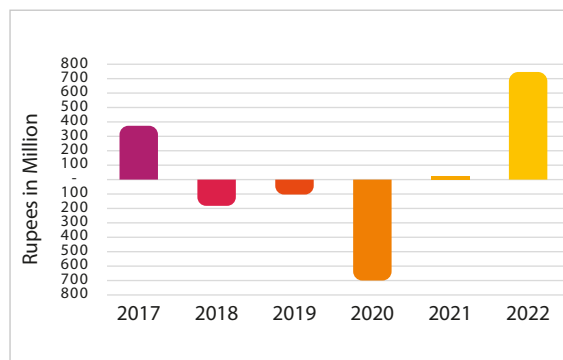
Finance Cost:

Finance cost consists of markup paid on short-term and long-term borrowings and other financial charges. The Company's finance cost has significantly increased at a compounded annual growth rate of 56% from FY 17 to FY 22. The prime reason for the increase in finance costs was short-term borrowings & interest rates. The short-term borrowings 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 22, the increase represents increased working capital finance due to rising scrap prices and rupee devaluation and an increase in KIBOR from 7% in July-21 to 13.25% in June-22.



Taxation:

Taxation expenses varied over time with the variation in profits. From FY 18 to FY 20, tax reversal was due to tax credit availed by the Company on its investment in the newly installed rolling mill and billet capacity expansion at Dhabeji under sections 65(B) and 65(E) of Income tax ordinance 2001. However, in FY 21 it has turned into an expense due to the lapse of section 65(B) credit earlier availed in 2018 and absorption of taxable losses due to the generation of profit. In FY 22, the tax expense increased due to the imposition of super tax at the rate of 10% for FY 22 and 4% for FY 23 and onwards resulting in an increase in current tax expense by 10% and deferred tax expense by additional 4% due to increase in future tax rate from 29% to 33%.

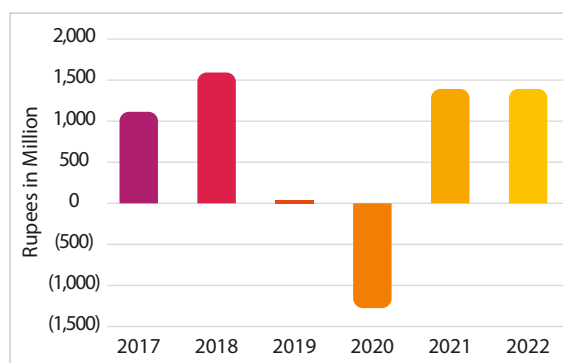


Net Profit:

The Company posted net profits from FY 17 to FY 22 except for FY 20 in which the Company incurred a loss due to the COVID-19 lockdown for two months. The net profit for FY 19 declined to Rs. 32 million due to the abrupt rupee devaluation, which extensively increased the Company's cost of production, increase in finance costs due to a more than 100% increase in interest rates, and contraction in demand impacting the ability of Company to pass through the increased costs.

The performance of the Company is largely dependent on the state of the economy, political stability and consistent economic policies or otherwise, GDP growth, volatility in rupee-dollar parity, monetary policy, and external factors affecting the cost of freight and prices of scrap. All these factors largely remained favorable and controlled throughout FY 21, and the Company recorded a net profit of Rs. 1.3 billion depicting a strong recovery in terms of profitability from a loss in FY 20. Also, in FY 21, the announcement of various stimulus construction packages increased the overall demand for construction materials.

In FY 22, the Company continued to perform remarkably strong throughout the first nine months of the year and posted healthy profit up to the nine months of FY 22 amounting to Rs. 1.8 billion. However, the unprecedented additional electricity bills for the months of May & June 2022 in the name of fuel charges adjustment, and imposition of discriminatory super tax (discussed in detail above) in the fourth quarter coupled with muted demand as a result of the change of regime through an unpopular no-confidence motion pushed the Company back to the levels of FY 21, stopping it from registering its highest ever profit after tax.



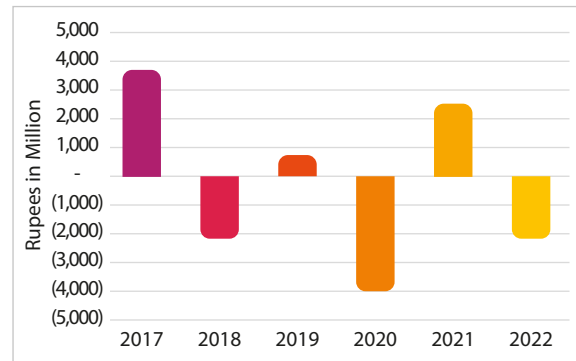
Six Years' Analysis

Financial Position, Performance & Cash Flows

Statement of Cash Flows

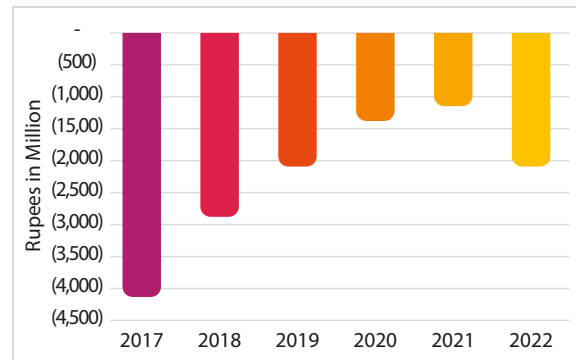
Cash flow From Operating Activities:

An Increase in sales and improved control on trade debt helped in generating a positive cash flow from operations in FY 17. In FY 18, the Company procured large quantities of steel scrap to produce billets to full fill the additional requirement created due to the commencement of operations of a new rolling mill at Dhabeji. This resulted in a negative cash flow. In FY 19, the Company generated a positive cash flow from operations supported by better control of trade debts and maintaining optimum stock quantities. Cash flows remained under stress in FY 20 due to lockdowns and a complete halt of operations by the Company for two months (approx.), and the contraction of the economy due to macro-economic imbalance which resulted in negative cash flow from operations. During FY 21, the economic conditions of the country improved as a result of various stimulus packages announced by the government. Resultantly, the Company generated positive cash from operations amounting to Rs. 2.4 billion due to profit and improvement in the 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.



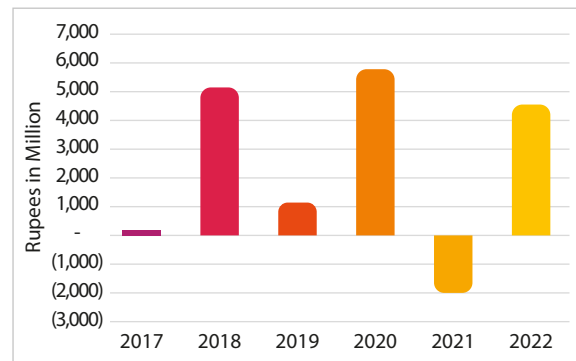
Cash flow From Investing Activities:

The cash flow from investing activities mainly consists of investment in property, plants, and equipment. Since FY 17, the Company invested heavily in the enhancement of production capacities of both steel billets and rebars by adding steel melting furnaces and installation of a rolling mill of 425,000 tons at Dhabeji. During FY 20, besides other capital expenditures, the Company completed the construction of a warehouse in Islamabad and Lahore to spread its footprint across the country. In FY 21, the Company continued to invest in the acquisition of modern technologies including a Solar power plant of 4.43 MW, revamping of Continuous Casting Machine to enhance its productivity, and reducing the cost of manufacturing. In FY 22, the Company invested in equipment which was financed via ITERF to reduce its cost of production. Furthermore, during FY 22 the Company also incurred expenditure on the extension and installation of 2.76 MW to its existing solar power plant taking the total to 7.19 MW.



Cash flow From Financing Activities:

The cash flow from financing activities consists of dividends payments, movement in short and long-term financing, and payment of finance costs. In FY 17, the Company paid dividends and obtained short-term financing for working capital needs. From FY 18 to FY 20, the Company obtained short-term and long-term financing to support the increased working capital needs and to fund capital expenditures. Further, in FY 20 the Company obtained syndicated long-term finance of Rs. 4.0 billion for permanent working capital. In FY 21, the Company generated cash from operations and used it for funding capital expenditure under investing activities and for repayment of long-term debt maturities, payment of finance costs, and reducing short-term running finance. In FY 22, the Company obtained short-term loans to fund working capital needs that have increased by many folds owing to phenomenal rupee devaluation and a significant increase in raw material prices. The Company also obtained long-term finance under the Islami temporary economic refinance facility (ITERF) to fund CAPEX as discussed above.



Ratio Analysis

	UoM	2022	2021	2020 (Restated)	2019 (Restated)	2018	2017
Profitability Ratios							
Gross profit ratio	Percentage	11.16%	11.58%	6.83%	8.48%	17.80%	18.58%
Net profit / (loss) to sales ratio	Percentage	2.28%	3.49%	-4.68%	0.11%	10.23%	8.09%
Return on equity	Percentage	8.69%	9.81%	-11.34%	0.27%	12.31%	9.64%
Return on capital employed	Percentage	6.83%	7.79%	-8.26%	0.23%	11.77%	9.31%
Operating leverage	Percentage	94.26%	1558.95%	972.55%	-42.75%	61.40%	-261.07%
EBITDA margin to sales	Percentage	8.76%	9.11%	4.63%	6.62%	14.87%	15.24%
Liquidity Ratios							
Current ratio	Times	1.00:1	0.97:1	0.96:1	0.86:1	1.05:1	1.13:1
Quick / acid test ratio	Times	0.49:1	0.60:1	0.53:1	0.41:1	0.33:1	0.47:1
Cash to current liability	Times	-0.08:1	-0.11:1	-0.06:1	0.01:1	0.01:1	0.01:1
Cash flow from operations to sales	Times	-0.04:1	0.06:1	-0.15:1	0.03:1	-0.14:1	0.27:1
Activity / Turnover Ratios							
Inventory turnover	Times	6.1	5.0	3.4	3.7	2.3	2.8
No. of days in inventory	Days	60	73	106	97	156	132
Debtor turnover	Times	9.7	7.0	6.4	11.0	9.6	7.5
No. of days in receivables	Days	38	52	57	33	38	48
Creditor turnover	Times	134	84	75	150	123	93
No. of days in payables	Days	3	4	5	2	3	4
Operating cycle	Days	95	121	158	128	191	176
Total asset turnover	Times	1.3	1.1	0.8	1.0	0.6	0.7
Fixed asset turnover	Times	2.7	1.9	1.5	1.7	1.0	1.1
Investment / Market Ratios							
Earnings per share / (Loss per share) - basic & diluted	Rupees	4.46	4.61	(4.18)	0.11	5.34	3.62
P/E ratio	Times	5.25	9.43	(7.81)	223.14	13.21	31.20
Dividend yield ratio	Percent	-	-	-	-	3.12%	1.77%
Dividend payout ratio	Percent	-	-	-	-	41.20%	55.25%
Dividend coverage ratio	Times	-	-	-	-	2.43	1.81
Cash dividend per share	Rupees	-	-	-	-	2.20	2.00
Price to book ratio	Times	2.34	4.34	3.26	2.47	7.05	11.29
Market value per share							
- Year End	Rupees	23.44	43.44	32.64	24.66	70.55	112.95
- Highest	Rupees	49.98	54.65	41.61	79.41	119.48	137.97
- Lowest	Rupees	21.50	32.55	15.83	21.57	64.34	46.90
Break value per share with surplus on revaluation	Rupees	51.36	46.94	36.87	41.06	43.37	37.53
Break value per share without surplus on revaluation	Rupees	38.88	34.23	29.16	33.11	35.17	31.62
Capital Structure Ratios							
Debt / equity ratio	Times	0.32:1	0.35:1	0.50:1	0.12:1	0.17:1	0.06:1
Weighted average cost of debt	Percentage	10.76%	8.36%	13.31%	9.73%	5.57%	5.13%
Financial leverage ratio	Times	1.49:1	1.34:1	1.83:1	1.16:1	0.88:1	0.47:1
Debt service ratio	Times	1.48:1	1.45:1	0.35:1	0.93:1	2.93:1	2.75:1
Interest cover	Times	1.90	1.84	0.15	0.95	3.93	6.74

*All ratios are rounded up to two decimal places.

Comments On Ratio Analysis

Profitability Ratios

The Company recorded a compounded annual sales growth of 34.37% from FY 17 to FY 22. In FY 17 and FY 18, it maintained decent gross margins of 19.6% on average due to favorable economic conditions and the increasing gross domestic products (GDP) of the Country. In FY 19, the gross profit margin dropped significantly to 8.48% due to the contraction of the economy to address the twin deficit that resulted in abnormal rupee devaluation, decrease in national consumption, and reduction in GDP to 1.4% from 5.0% in FY 18. The declining trend continued in FY 20 as well and the eruption of the COVID-19 pandemic and resultant two month's long shutdown, further deteriorated the situation. As a result, the gross profit margin slipped to 6.83% in FY 20. The economic activity in the country started to revive from the beginning of FY 21. This was possible due to the lifting of the lockdown and various initiatives taken by the government and the State Bank of Pakistan to support the economy, particularly, construction and allied industries. The GDP grew by 3.94% from a negative 0.4% in FY 20 enabling the Company to post a gross profit margin of 11.58%. During FY 22, due to increased cost of production [discussed previously in "Profit & loss Analysis"], the Russia - Ukraine crisis, and uncertainty arising due to the formation of new government the gross margin dropped by 0.42% when compared with the corresponding year.

The operating profit and net profit margins moved accordingly with the trend of gross margin discussed above. The administrative and distribution cost of the Company remained in control from FY 17 to FY 22 as a percentage of the sale. The increase in policy rate has exerted great pressure on the finance cost of the Company in FY 19 and FY 20 resulting in a decline in net profit margin to 0.11% and negative 4.68% respectively. In FY 21, with the increase in gross margin and decline in the policy rate to 7% (FY 20: 13%), the Company recorded a net profit margin of 3.49%. However, with the double-fold increase in the policy rate from 7% in July-21 to 13.25% in June-22 and an increase in borrowings, unprecedented fuel charge adjustment by K-Electric and, discriminatory 10% super tax imposed by the new government, the net profit margin was reduced to 2.28%.

Liquidity and Working Capital Ratios

The liquidity ratios are directly attributable to the internal cash generation of the Company. The decline in margins as discussed above has resulted in the current ratio declining from 1.13 times to 1.00 times from FY 17 to FY 22. The Company raised a syndicated term loan of Rs. 4 billion to fund permanent working capital which improved the current ratio to 0.96 times from 0.86 times in FY 20. In FY 21, the current ratio inched up to 0.97 due to the generation of profit but remained below par due to the current maturities of long-term loans falling due in FY 22. In FY 22, due to an improvement in inventory and receivable days, the current ratio improved to 1.00 from 0.97. The current ratio could have been well above 1 had there been no abnormal fuel adjustment charges by K-Electric and a 10% discriminatory super tax on the Company.

The inventory days remained between 132 to 60 days from FY 17 to FY 22, respectively. Due to the installation of a new rolling mill and the expansion of the melt shop in FY 18, the Company stockpiled the raw material, which resulted in higher inventory days of 156 days. In FY 19, the Company produced 59% and sold 61% excess quantity when compared to FY 18, this resulted in an improvement in inventory days by 58 days to 97 days in FY 19. In FY 20, inventory days increased to 106 days mainly due to the COVID-19 lockdown in the fourth quarter. In FY 21, the Company maintained just-in-time inventory to ease off the cash flow resulting in inventory days decreasing by 33 days to 73 days. The inventory days further improved by 13 days to 60 days in FY 22 due to tight inventory management.

The debtor days are calculated based on average debtors and net sales. The Company's debtor's days ranged from 48 days to 38 days from FY 17 to FY 22. The Company is committed to reducing its debtor's days and has established a dedicated sales and credit administration department to administer and monitor receivables from customers. However, due to exceptionally low demand and COVID-19 lockdowns which halted sales, production, and collection, FY 20 remained a challenging year for the Company and the debtor's day increased to 57 days in FY 20 when compared to 33 days in FY 19. With an improvement in sales and collection in FY 21, the debtor days were reduced to 52 days. In FY 22, with robust follow-ups, revisiting the customers' credit policy and credit limits, the receivable days were reduced to 38 against 52 days in FY 21.

The earnings per share remained in the range of Rs. 3.62 to Rs. 4.46 from FY 17 to FY 22. The fluctuation in the earnings per share is due to the change in the Company's profitability, which was discussed under the heading of profitability.

The Company's shares were traded on the Pakistan stock exchange within a price range of Rs. 21.50 to Rs. 49.98 during the year and Rs. 21.50 being the lowest price and Rs. 49.98 being the highest price during FY 22.

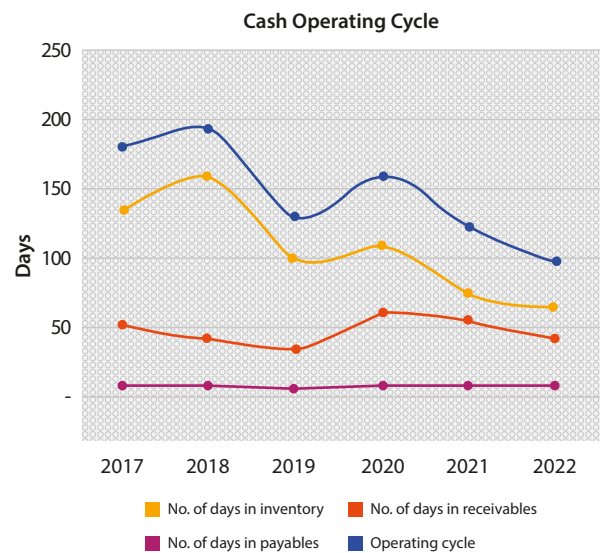
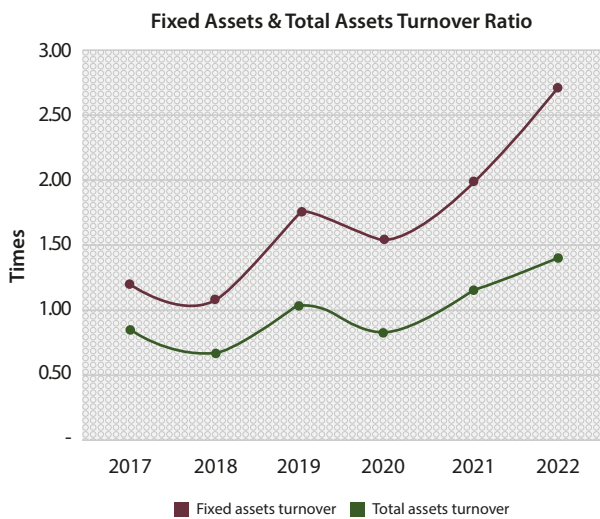
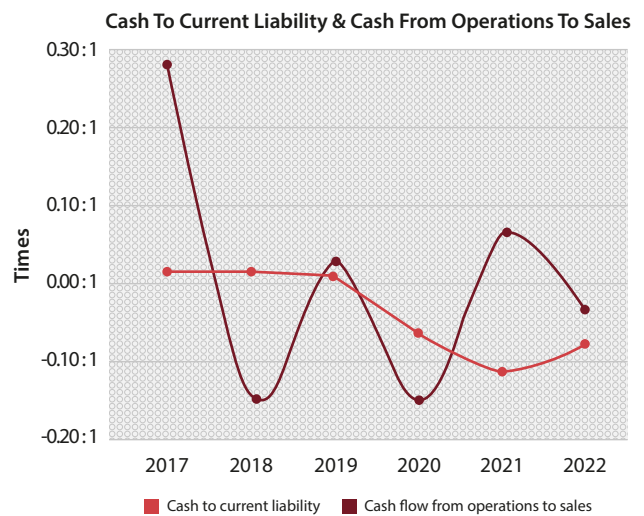
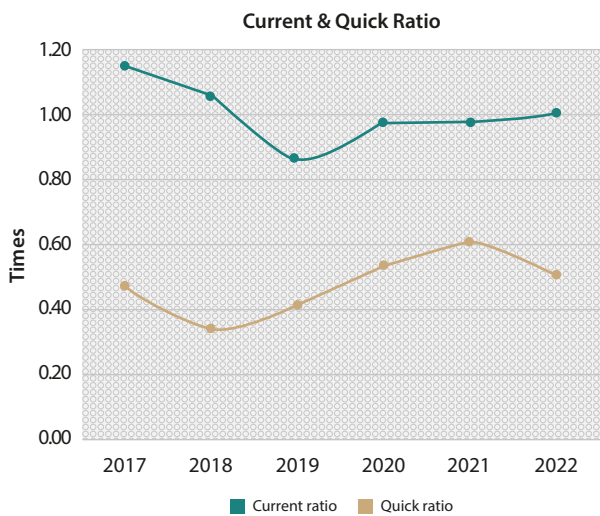
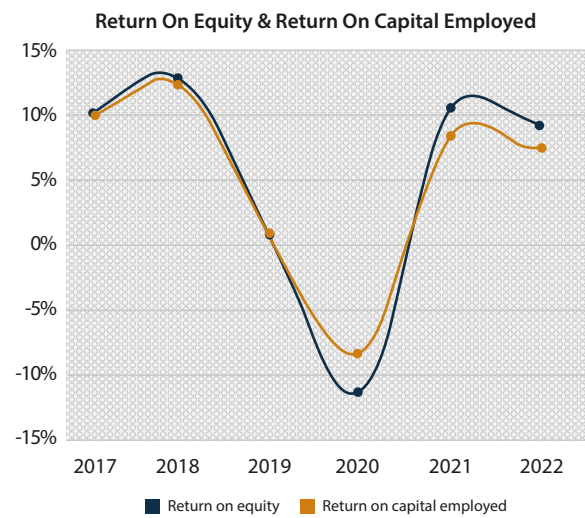
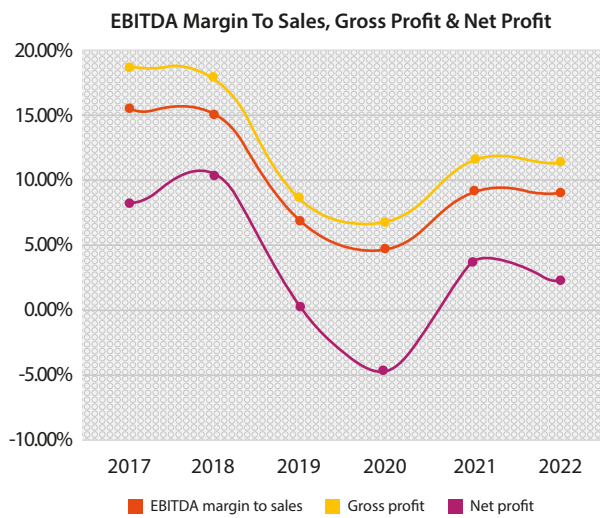
The breakup value per share without revaluation remained in a range of Rs. 31.62 to Rs. 38.88 from FY 17 to FY 22. The break value per share depends mainly on the capital reserves, revenue reserves, and the number of ordinary shares. The capital reserves and number of ordinary shares remained unchanged during the last six years, however, the revenue reserves fluctuated due to variations in profits the reason for which are discussed under the profitability heading.

Capital Structure Ratios

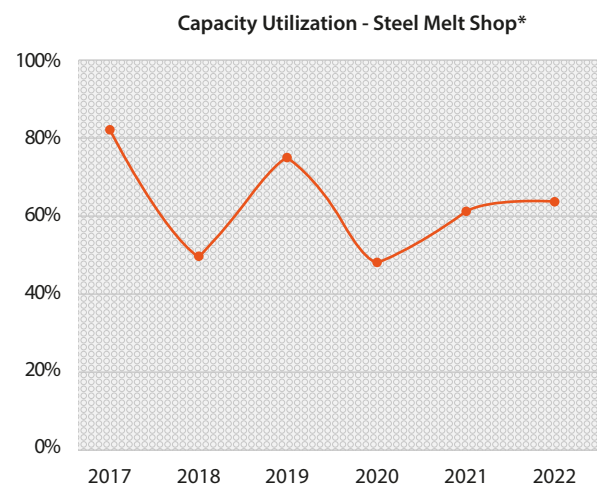
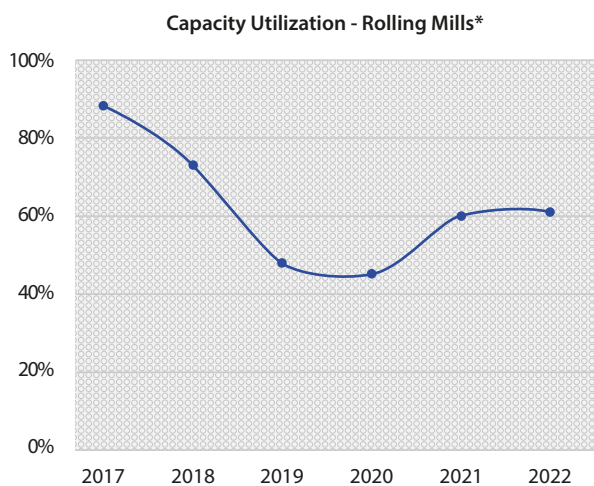
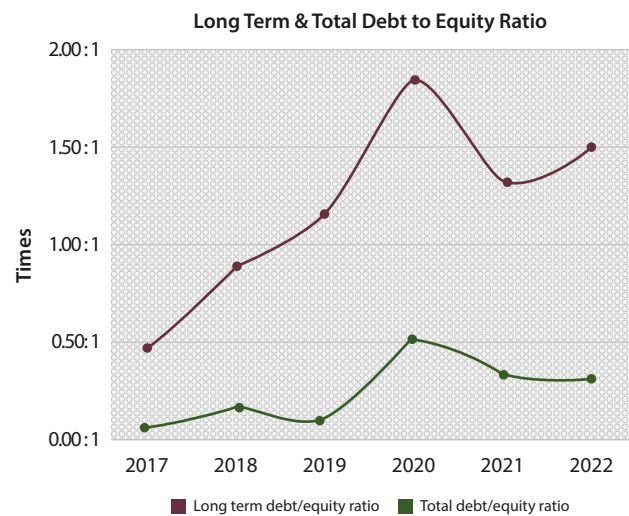
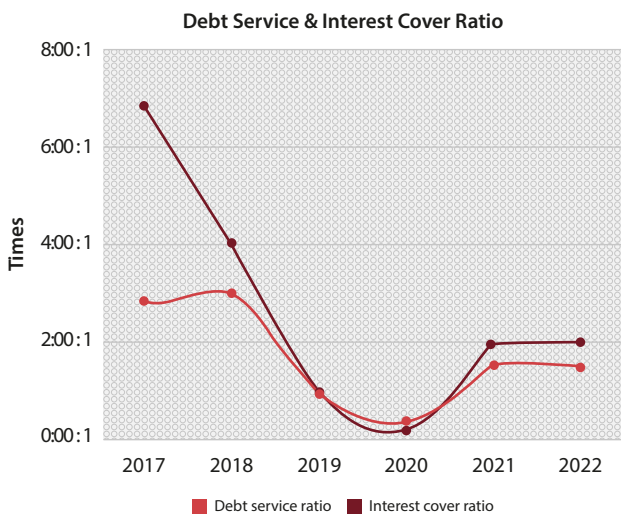
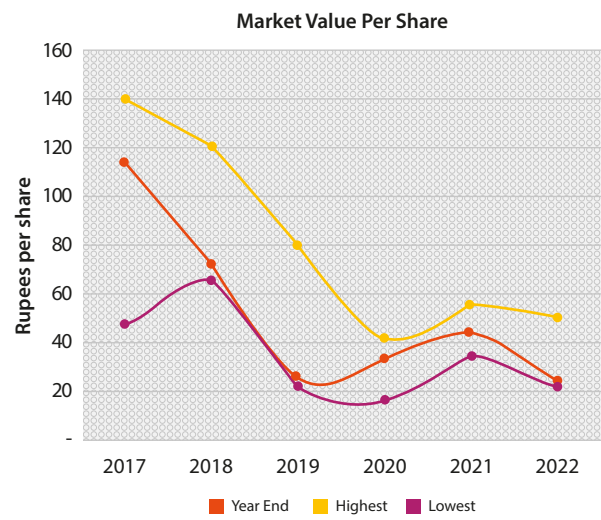
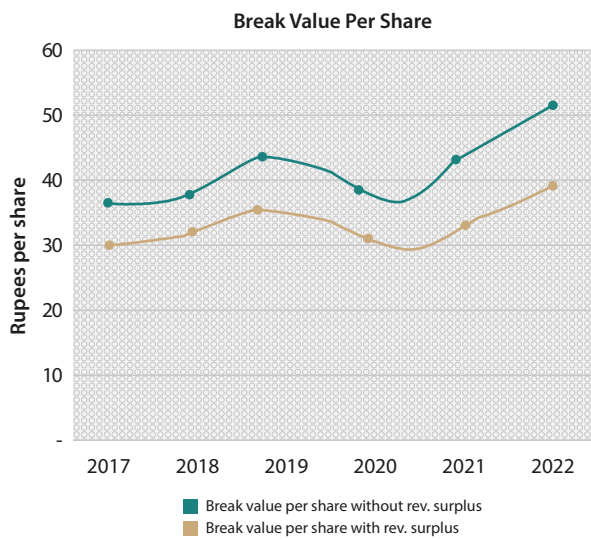
Debt to equity ratio and financial leverage increased over the period from FY 17 to FY 20. The reasons for the increase include investment in plant & machinery for expansion and modernization and increased working capital requirements. Debt equity ratio and financial leverage improved in FY 21 due to the generation of profits and recording of surplus on revaluation of fixed assets in FY 21. However, in FY 22 the financial leverage increased due to an increase in short-term borrowing to fund increased working capital needs.

Debt service ratio and interest cover dropped in FY 19 and FY 20 due to a significant decrease in profitability in FY 19 and incurring loss in FY 20 the reasons which have already been discussed under the profitability ratio heading. However, in FY 21, both ratios improved due to an improvement in profitability and a decrease in finance costs. In FY 22, the debt service ratio and interest cover further improved due to an increase in operating profit by 50% when compared with FY 21.

Graphical Presentation



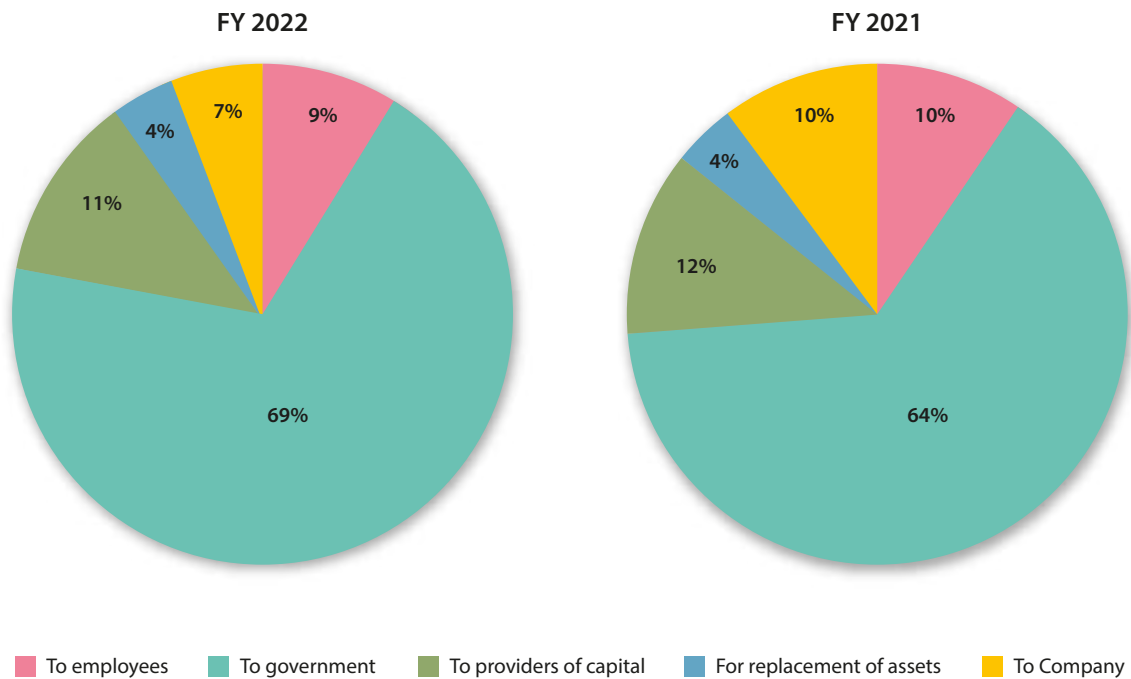
Graphical Presentation



*Based on name plate production capacities. In FY 2018 & 2019, new capacities were added in concerning to Dhabeji Rolling Mill of 425,000 tons per annum and Steel Melt Shop of 400,000 tons per annum.

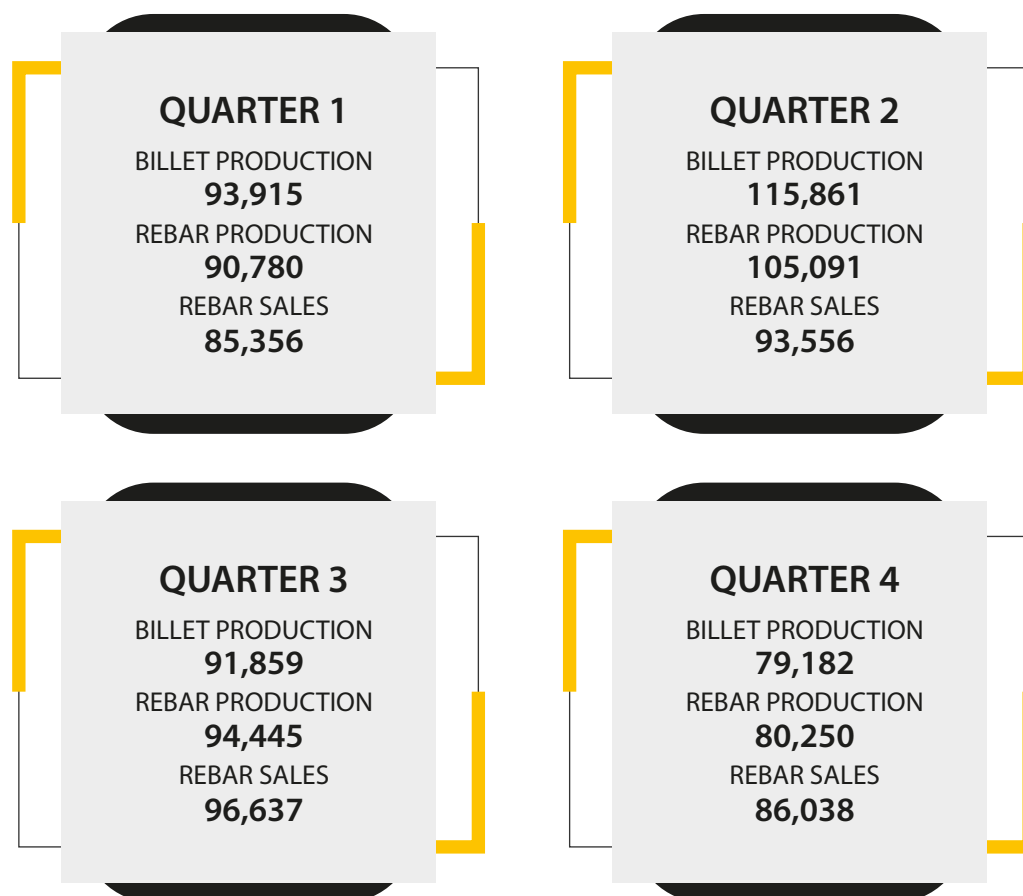
Statement of Value Addition & Wealth Distribution

	2022		2021	
	Rs.'000'	%	Rs.'000'	%
WEALTH GENERATION				
Revenue from sales with sales tax	68,090,993		45,878,507	
Revenue from other income	24,507		24,118	
Bought in material and services	(47,992,255)		(32,459,292)	
Value added by the Company	20,123,245		13,443,333	
WEALTH DISTRIBUTION				
To employees:				
Salaries, wages and other benefits	1,749,845	09%	1,324,596	10%
To government:				
Income tax, sales tax, customs & excise duties	14,010,066	69%	8,570,782	64%
To providers of capital:				
Bank charges and markup	2,306,697	11%	1,627,878	12%
For replacement of assets:				
Depreciation and amortization	731,122	04%	551,818	4%
To Company:				
Retained profit	1,325,515	07%	1,368,259	10%
	20,123,245	100%	13,443,333	100%



Quarterly Analysis

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
----- Rs. '000' -----					
Sales	11,843,701	14,777,840	15,915,682	15,647,059	58,184,282
Cost of Sales	(10,151,510)	(13,078,541)	(14,208,036)	(14,254,708)	(51,692,795)
Gross Profit	1,692,191	1,699,299	1,707,646	1,392,351	6,491,487
Gross Profit %	14.29%	11.50%	10.73%	8.90%	11.16%
Administrative Expenses	(177,589)	(176,874)	(156,826)	(224,682)	(735,971)
Allowance for Expected Credit Losses	19,364	(47,127)	17,144	5,442	(5,177)
Distribution Expenses	(238,889)	(264,028)	(307,667)	(393,056)	(1,203,640)
Other Expenses	(70,328)	(54,495)	(45,844)	(15,778)	(186,445)
Other Income	20,253	1,072*	2,004	1,178	24,507
Operating Profit	1,245,002	1,157,847	1,216,457	765,455	4,384,761
Operating Profit %	10.51%	7.84%	7.64%	4.89%	7.54%
Finance Cost	(387,698)	(466,166)*	(650,236)	(802,597)	(2,306,697)
Profit / (Loss) Before Taxation	857,304	691,681	566,221	(37,142)	2,078,064
Taxation	(155,449)	(90,053)	(35,653)	(471,394)	(752,549)
Net Profit / (Loss)	701,855	601,628	530,568	(508,536)	1,325,515
Net Profit / (Loss) %	5.93%	4.07%	3.3%	-3.25%	2.28%



*An amount of Rs. 4.4 million in respect of government grant have been reclassified from other income to finance cost for 2nd Quarter and onwards for better presentation

Comments on Quarterly Analysis

First Quarter:

The Company achieved impressive growth in net sales revenue and presented an increase of 49.4% in the first quarter when compared to the same quarter, last year. The increase in sales revenue was mainly due to the increase in sales price by 42% to pass through a massive increase in scrap prices, which rose from USD 281 per ton in the first quarter of FY 21 to USD 524 per ton in the first quarter of FY 22. The sale quantity also increased by 5%.

The ability of the company to successfully pass through the input costs, higher capacity utilization, and command premium as a result of robust demand resulted in an improved gross profit margin of 14.29% as compared to 11.50% in the corresponding quarter, last year.

The operating profit margin, riding on high gross margins, achieved an outstanding growth of 4.51% to settle at 10.51% compared to 6.40% in the corresponding quarter, last year. The administrative, distribution and other operating expenses remained under control at 3.78% as a percentage of sales compared to 4.5% in a similar quarter, last year.

In addition to the improved operating profit margin, finance costs also reduced to 3.27% from 5.76% of sales when compared with the corresponding quarter, resulting in an increase in net profit before tax of Rs. 857 million which is Rs. 807 million higher as compared to the same quarter, last year. The reduction in finance cost is mainly due to better inventory management and control of trade credits and receivables which were on the higher side during the COVID-19 lockdown. Likewise, the net profit registered a growth of a staggering 534% to a record profit after tax of Rs. 701 million in the first quarter when compared to the same quarter, last year.

Second Quarter:

The net sales revenue witnessed a remarkable growth of 55% in the second quarter when compared to the same period, last year. The increase in sales revenue was mainly attributable to an increase in price by 62% due to an increase in the cost of sale by 60%, mainly due to an increase in scrap prices, price of additives, and rupee devaluation. However, there was a slight decrease of 2.70% in sales volume.

The gross profit margin slightly increased by 0.70% in the second quarter when compared to the same quarter, last year primarily due to better price retention. Likewise, the operating profit also improved by 0.70%.

The Company registered a net profit of Rs. 601 million as compared to Rs. 312 million same quarter last year. However, in terms of margin, the net profit grew from 3.28% to 4.07%, followed by an increase in operating and gross margins.

Third Quarter:

The net sales revenue maintained its rising trajectory during the third quarter and posted a 63% increase in sales revenue when compared to the same period, last year. The increase in sales revenue is mainly due to an increase in sales price by 48% and sale volume by 11.5%. The cost of sale also increased by 53% out of which 78% relates to an increase in scrap prices and 22% other costs primarily due to rupee devaluation, electricity tariff, and re-gasified liquified natural gas (RLNG) cost.

The gross profit margin declined by 3.2% in the third quarter when compared to the same period of last year due to the reasons discussed above.

The operating profit margin declined by 2.3% in the current quarter when compared to the corresponding quarter of last year, due to a decrease in gross profit margin and an inflationary increase in distribution and administrative expenses.

The net profit margin declined by 1.8% during the third quarter when compared to the corresponding quarter of last year. This decrease was mainly attributable to an increase in finance cost which doubled due to the increase in the utilization of short-term financing facilities and also increase in interest rates.

Fourth Quarter:

The net sales revenue, like all three quarters continued its upward trend during the fourth quarter and posted a 30% increase in sales revenue when compared to the same period, last year. The increase in sales revenue was mainly due to an increase in sales prices by 54%. Although, the sales quantity declined by 14%. The decrease in sales quantity was due to the downturn of the economy as a result of uncertainty arising out of the formation of a new government through regime change. Furthermore, the Russia-Ukraine crisis, rising current account deficit, rupee devaluation, inflation, and tightening of monetary policy also adversely impacted the demand.

The gross profit margin declined by almost 2% in the fourth quarter when compared to the same, last year. The prime reason for the decrease in margin was an unprecedented Fuel charge adjustment by K-Electric for the month of May-22 and June-22 of Rs. 9.5 per KWH and Rs. 11.10 per KWH respectively, besides an increase in other manufacturing costs.

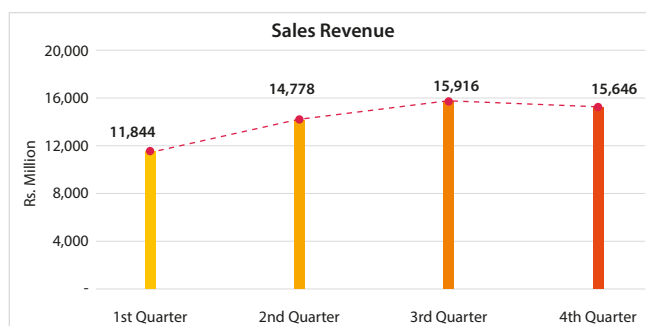
The operating profit declined by 2.4% in the fourth quarter when compared to the same period, last year. The decline in gross profit margin as discussed above and inflationary pressures increased distribution and administrative expenses which resulted in a decrease in operating profit margin.

The net profit margin of 3.7% turned into a loss of 3.2% in the fourth quarter when compared to the same quarter of last year due to a reduction in gross and operating margins discussed above and further due to an increase in finance costs as a result of an increase in KIBOR. The loss increased further, significantly, due to the imposition of discriminatory super tax at the rate of 10% for FY 22 and 4% for FY 23 and onwards resulting in an increase in current tax expense by 10% and deferred tax expense by additional 4% due to increase in future tax rate from 29% to 33%.

Analysis of Variation in Interim Results Reported with Annual Results

Sales Revenue:

The sales revenue followed a rising trend from the first quarter to the third quarter. It, however, declined slightly in the fourth quarter concluding the year with the highest annual sales revenue in the history of the Company. The overall increase in sales revenue resulted from various incentives offered by the government and State Bank of Pakistan post-COVID-19 in the shape of reduced-rate housing loans, tax amnesty, and construction package. The Government was also somewhat able to control macro-economic factors which helped in increasing the confidence of the business community, generated liquidity in the economy, and provided an opportunity to the Company to pass through the impact of increased cost. However, this growth trajectory faced headwinds right after the change of government via a turbulent no-confidence motion, causing huge political uncertainty in the business fraternity. The Ukraine crisis added fuel to the fire, and the economy which was growing at 5.7% resulted in fast declining reserves due to an increasing mismatch of imports vs exports, consequently, monetary tightening came into play in the fourth quarter putting breaks on demand; as a result, the fourth quarter sales revenue remained lower than the third quarter.

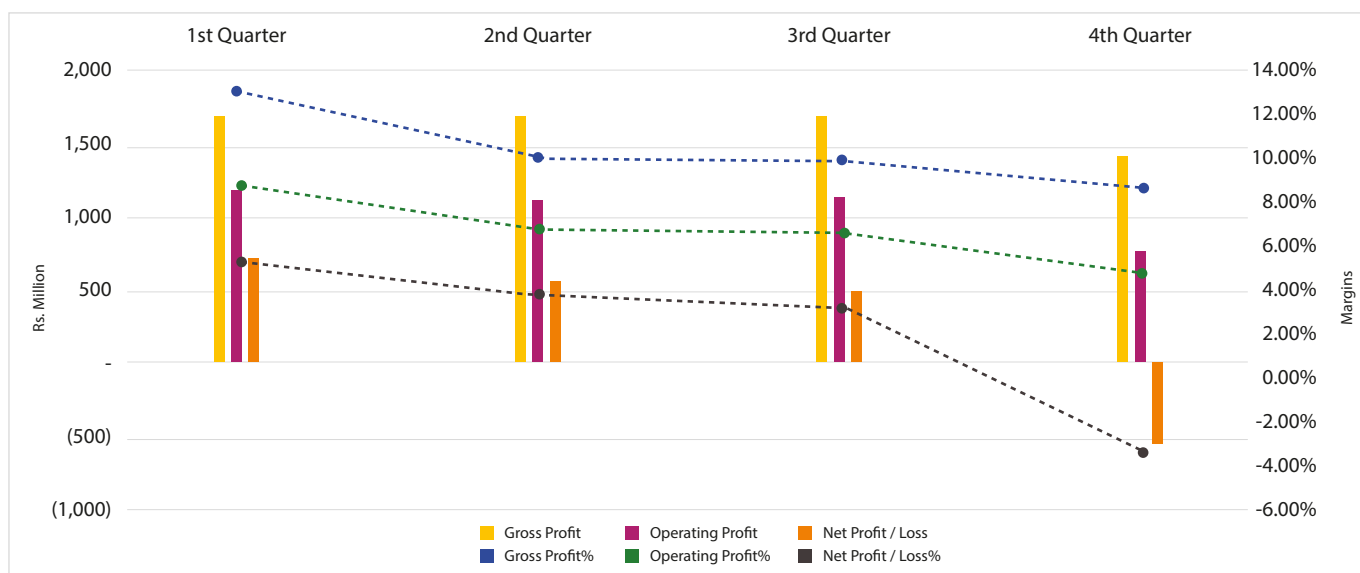


Gross Profit:

The gross profit margin remained in the range of 11.50% to 8.90% during the year with the highest of 14.29% recorded for the first quarter as a result of better price retention. The gross margin varied from quarter to quarter due to movement in the cost of scrap which is one of the major components of the cost of goods having an average purchase lead-time ranging from 75 to 90 days. The gross profit margin started to decline in the second quarter when compared with the first due to a rise in scrap prices and rupee devaluation. The international scrap prices were on the rising trend from the beginning of the year due to a global surge in demand after the lifting of lockdowns across the globe. However, things worsen when Russia invaded Ukraine in the third quarter and disrupted the global supply chain which further aggravated as a result of a number of sanctions imposed by western countries on Russia eventually resulting in an increase in global commodity prices, including steel scrap by 20% as compared to purchases made in the third quarter. The political-economic uncertainty also impacted the demand for steel bars, particularly in the fourth quarter, adversely affecting the sales volume which has historically been the best quarter in terms of sale volume off-take. Further, huge fuel adjustment charges was allowed by NEPRA in favour of K-Electric which was charged to the consumers for the month of May-22 and June-22. This increased the cost of production substantially and could not be passed through due to its approval by NEPRA after the months to which they pertain. Therefore, the gross profit margin decreased to 8.9% in the fourth quarter of the financial year.

Operating Profit:

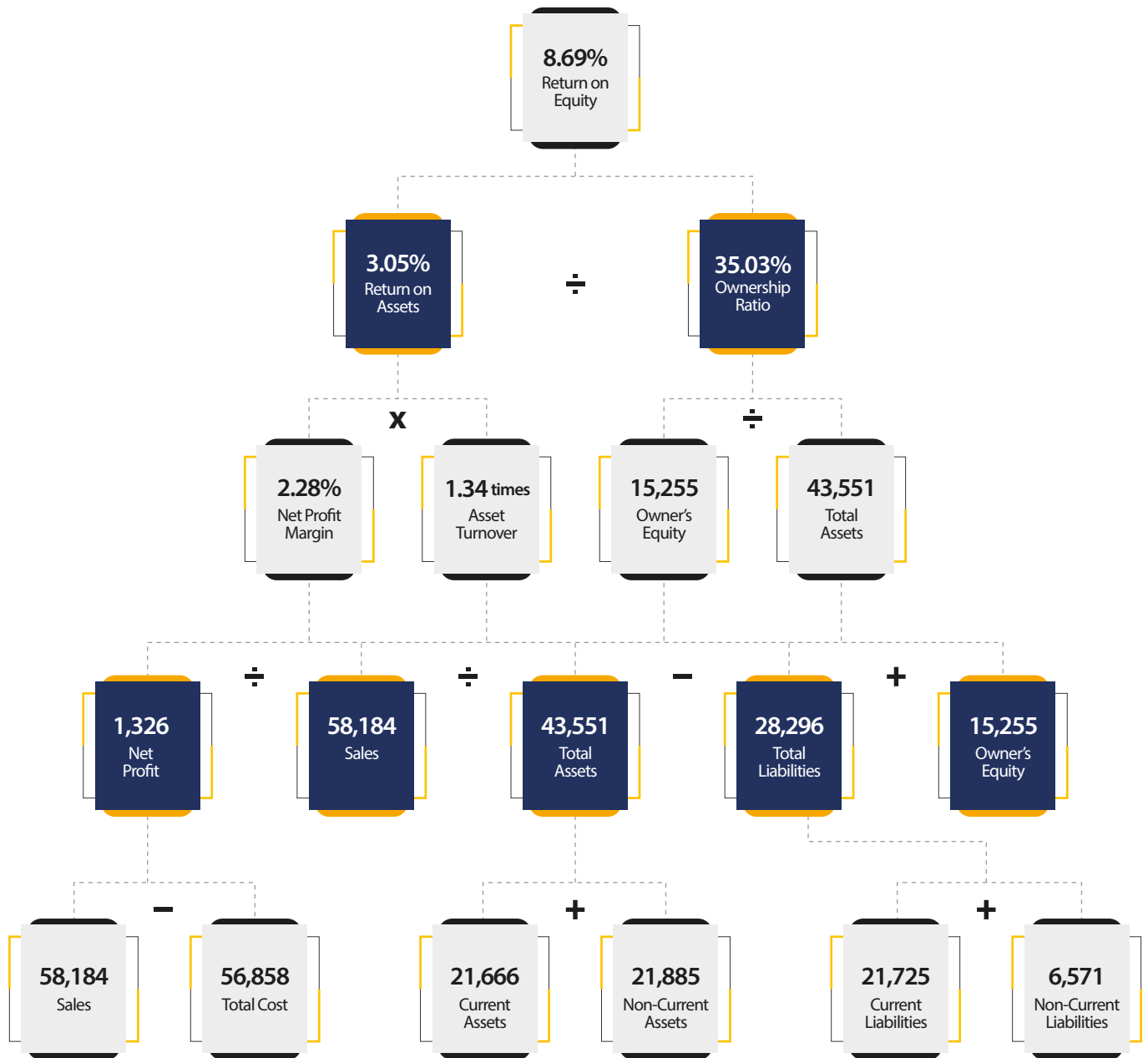
The operating profit margin descended from 10.51% to 4.89% from the first quarter to the third quarter, respectively. The operating profit declined due to a decline in gross profit margin as discussed above, and it reduced further due to an inflationary increase in operating expenses during the period. The distribution cost increased by many folds due to an enormous increase in fuel prices which in turn increased the cartage and freight charges.



Net Profit:

The net profit margin decreased from 5.93% in the first quarter to 3.33% in the third quarter and to a loss of 3.25% in the fourth. This was due to a decrease in operating profits as narrated above and it reduced further due to an increase in the policy rate and new taxation measures taken by the new government on the dictates of IMF. The finance cost had already started to climb up from the start of the year due to increased working capital requirements mainly attributable to the continuous devaluation of the rupee against the greenback and surging international scrap prices which could not be passed through immediately. The rupee devalued massively by 28% and the scrap prices went as high as 23% during the year under discussion. Further, by the end of the first quarter, the policy rate had started to increase and almost doubled itself by the end of the year causing a massive hike in the finance cost. Consequently, the Company incurred a loss before tax in the fourth quarter. The loss for the quarter was further aggravated due to the imposition of super tax at the rate of 10% for FY 22 and 4% for FY 23 and onwards. This resulted in an increase in current tax expense by 10% and deferred tax expense by an additional 4% due to a change in the future effective tax rate from 29% to 33%.

DuPont Analysis



* All figures are in PKR million, otherwise indicated.

Sales revenue increased by 48% and the total assets increased by 20% year on year, resulting in an asset turnover of 1.34 times compared to 1.08 times of FY 21. The Company made a profit amounting to Rs. 1.32 billion as compared to a profit of 1.36 billion in preceding year resulting in a return on asset of 3.05% (FY21: 3.76%) and a decrease in ownership ratio to 35.03% (FY21: 38.33%).

The Company, therefore, achieved a return on equity of 8.69% in FY 22 compared to a 9.81% in FY21

Dupont Analysis	2022	2021
Tax burden	63.79%	98.87%
Interest burden	47.39%	45.62%
EBIT Margin	7.54%	7.73%
Asset Turnover	1.34	1.08
Leverage	285.49%	260.87%
Return on equity	8.69%	9.81%

Cash Flow Statement – Direct Method

	2022	2021
	-----Rs. '000'-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from the customers	58,919,586	37,868,038
Cash paid to suppliers and employees	(58,364,280)	(32,988,708)
Cash generated from operations	555,306	4,879,330
Income taxes paid	(631,537)	(437,141)
Gratuity paid	(27,871)	(36,236)
Finance costs paid	(2,043,559)	(1,948,293)
Long-term deposits – net	(51,644)	(17,387)
Net cash (used in) / generated from operating activities	(2,199,305)	2,440,273
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,158,142)	(1,273,141)
Addition to intangible assets	(891)	(3,039)
Proceeds from disposal of operating assets	21,112	130,028
Net cash used in investing activities	(2,137,921)	(1,146,152)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings – net	4,127,741	(1,678,960)
Long-term financing – net	424,205	(289,711)
Long term investment	1,000	-
Lease rentals paid	(30,271)	(26,644)
Dividend paid	(108)	(272)
Net cash generated from / (used in) financing activities	4,522,567	(1,995,587)
Net increase / (decrease) in cash and cash equivalents	185,341	(701,466)
Cash and cash equivalents at the beginning of the year	(1,845,683)	(1,144,217)
Cash and cash equivalents at the end of year	(1,660,342)	(1,845,683)
Cash and cash equivalent comprise the following:		
Cash and bank balances	356,869	378,573
Running finance	(2,017,211)	(2,224,256)
Cash and cash equivalents at the end of year	(1,660,342)	(1,845,683)

A Perseverance That Displays Brilliance

Financial Statements





★★★★★
50
YEARS
SOLID



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007 - 11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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 2022, 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 2022 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.

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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	
<p>As of the date of statement of financial position, the Company held stock-in-trade balance of Rs. 11,017,657 million which constitutes 25% of total assets of the Company. This comprise of Raw scrap, billets and rebars.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>We performed tests over the prices of raw materials and verified items in the product costing of work in progress.</p> <p>We assessed the adequacy of the Company's disclosures in accordance with the applicable financial reporting standards,</p>
2. Revenue recognition	
<p>The Company's revenue comprises mainly of local sales which is earned from various customer segments with significant volume of revenue transactions. The recognition of revenue depends on the nature of contractual arrangements with the customers.</p> <p>We identified revenue recognition and its reporting in the financial statements as a key audit matter primarily due to significant increase (48%) in revenue from last year, significant volume of transactions, and the amount of audit efforts in relation to this area. (Refer to note 5.20 and 30 for accounting policy and relevant disclosures respectively in respect of revenue).</p>	<p>We performed a range of audit procedures in relation to revenue including review of the terms and conditions of distinct sale transactions with different customer segments and assessed the appropriateness of revenue recognition policies and practices followed by the Company.</p> <p>We tested controls over revenue recognition and reporting process including key IT application controls, IT dependent manual controls and IT general controls for the relevant IT systems used for revenue transaction processing by the Company.</p> <p>We performed analytical review procedures and other test of details over various revenue streams including the cut-off procedures to check that revenue has been recognised in the appropriate accounting period.</p> <p>We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.</p>

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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.

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: 27 September 2022
UDIN: AR202210120sAdv6KIDC

Statement of Financial Position

As at 30 June 2022

	Note	2022 ----- (Rupees in '000') -----	2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	21,578,251	20,146,267
Right-of-use-asset	8	76,410	100,334
Intangible assets	9	11,872	18,624
Long-term investments	10	14,289	15,289
Long-term deposits and loans	11	203,993	152,349
		21,884,815	20,432,863
CURRENT ASSETS			
Stores and spares		2,756,628	1,455,826
Stock-in-trade		11,017,657	5,992,162
Trade debts	12	5,680,426	6,320,346
Loans and advances	13	53,447	34,044
Trade deposits and short-term prepayments	14	31,260	21,072
Other receivables	15	266	275,213
Taxation – net		1,769,109	1,456,362
Cash and bank balances	16	356,869	378,573
		21,665,662	15,933,598
		43,550,477	36,366,461
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	2,970,114	2,970,114
Capital reserve		2,788,742	2,788,742
Revenue reserves – accumulated profit		5,865,798	4,471,374
Actuarial loss on gratuity fund		(75,607)	(64,168)
Revaluation surplus on property, plant and equipment	18	3,705,659	3,774,568
		15,254,706	13,940,630
NON-CURRENT LIABILITIES			
Long-term financing	19	4,820,914	4,820,910
Long term provision	20	154,463	166,963
Loan from related parties	21	341,333	341,333
Deferred taxation	22	641,128	213,003
Deferred liability - defined benefit obligation	23	369,916	309,193
Lease liabilities	24	72,416	84,963
Government grant	25	170,641	925
		6,570,811	5,937,290
CURRENT LIABILITIES			
Trade and other payables	26	6,238,326	5,077,126
Contract liabilities		975,994	499,708
Interest / markup accrued	27	521,139	267,271
Short-term borrowings	28	12,573,272	9,474,081
Current portion of long-term financing	19	1,353,625	1,129,289
Current portion of lease liabilities	24	14,351	22,854
Current portion of government grant	25	42,643	12,494
Unclaimed dividend		5,610	5,718
		21,724,960	16,488,541
		43,550,477	36,366,461
CONTINGENCIES AND COMMITMENTS			
	29		
TOTAL EQUITY AND LIABILITIES			
		43,550,477	36,366,461

The annexed notes 1 to 49 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 2022

	Note	2022 ----- (Rupees in '000') -----	2021 ----- (Rupees) -----
Sales	30	58,184,282	39,218,453
Cost of sales	31	(51,692,795)	(34,676,315)
Gross profit		6,491,487	4,542,138
Distribution costs	32	(1,203,640)	(945,620)
Administrative expenses	33	(735,971)	(554,616)
Reversal of / (allowance for) expected credit losses	13.1	(5,177)	69,598
Other expenses	34	(186,445)	(123,789)
Other income	35	24,507	24,118
Operating profit		4,384,761	3,011,829
Finance costs	36	(2,306,697)	(1,627,878)
Profit before taxation		2,078,064	1,383,951
Taxation	37	(752,549)	(15,692)
Profit after taxation		1,325,515	1,368,259
Earnings per share – basic and diluted	38	4.46	4.61

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Statement of Comprehensive Income

For the year ended 30 June 2022

	2022	2021
	----- (Rupees in '000') -----	
Profit for the year	1,325,515	1,368,259
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Revaluation surplus on operating fixed assets - net of tax	-	1,625,834
Actuarial loss on gratuity fund – net of tax	(11,439)	(3,982)
	(11,439)	1,621,852
Total comprehensive income for the year	<u>1,314,076</u>	<u>2,990,111</u>

The annexed notes 1 to 49 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 2022

	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 2020 - as restated	2,970,114	2,788,742	2,963,238	(60,186)	2,288,611	10,950,519
Profit for the year - restated	-	-	1,368,259	-	-	1,368,259
Other comprehensive income / (loss) for the year	-	-	-	(3,982)	1,625,834	1,621,852
Total comprehensive income / (loss) for the year	-	-	1,368,259	(3,982)	1,625,834	2,990,111
Incremental depreciation relating to revaluation surplus on property, plant and equipment – net of tax	-	-	58,960	-	(58,960)	-
Revaluation surplus relating to disposal of assets	-	-	80,917	-	(80,917)	-
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)	-
Revaluation surplus relating to disposal of assets	-	-	-	-	-	-
Balance as at 30 June 2022	2,970,114	2,788,742	5,865,798	(75,607)	3,705,659	15,254,706

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Statement of Cash Flows

For the year ended 30 June 2022

	2022	2021
	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from / (used in) operations	555,306	4,879,330
Income taxes paid	(631,537)	(437,141)
Gratuity paid	(27,871)	(36,236)
Finance costs paid	(2,043,559)	(1,948,293)
Long-term deposits and loans – net	(51,644)	(17,387)
Net cash (used in) / generated from operating activities	(2,199,305)	2,440,273
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,158,142)	(1,273,141)
Additions to intangible assets	(891)	(3,039)
Proceeds from disposal of operating fixed assets	21,112	130,028
Net cash used in investing activities	(2,137,921)	(1,146,152)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(108)	(272)
Short-term borrowings – net	4,127,741	(1,678,960)
Long-term financing – net	424,205	(289,711)
Long-term investment	1,000	-
Lease rentals paid	(30,271)	(26,644)
Net cash generated from / (used in) financing activities	4,522,567	(1,995,587)
Net increase in cash and cash equivalents	185,341	(701,466)
Cash and cash equivalents at the beginning of the year	(1,845,683)	(1,144,217)
Cash and cash equivalents at the end of the year	(1,660,342)	(1,845,683)

The annexed notes 1 to 49 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Notes to the Financial Statements

For the year ended 30 June 2022

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)
Production plant	Plot No. D-89 Shershah Karachi (Land measuring area 2.220 Acres) 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, Sind (Land measuring area 65.00 Acres) Industrial Land, Deh Gharo, Tapo Gharo, Taluka Mirpur Sakro, District Thatta, Sind (Land measuring area 12.5 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)

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.

4. NEW STANDARDS, AMENDMENTS, IMPROVEMENTS TO APPROVED ACCOUNTING STANDARDS AND THE FRAMEWORK FOR FINANCIAL REPORTING

4.1 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

Amendment of Framework

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

4.2 Standards, amendments and improvements to the approved accounting standards 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:

Amendment or Improvement		Effective date (annual periods beginning on after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
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	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above standards and 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.

Standards		IASB effective date (annual periods beginning on after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 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.

Notes to the Financial Statements

For the year ended 30 June 2022

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.

Notes to the Financial Statements

For the year ended 30 June 2022

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. That is, 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., those lease 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.

Notes to the Financial Statements

For the year ended 30 June 2022

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 principal 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.

Notes to the Financial Statements

For the year ended 30 June 2022

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.

Notes to the Financial Statements

For the year ended 30 June 2022

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 unpaid 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.

Notes to the Financial Statements

For the year ended 30 June 2022

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.

Notes to the Financial Statements

For the year ended 30 June 2022

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

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.

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. As 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.

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 42.2 to these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

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 23 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 appellate 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	2022	2021
		---- (Rupees in '000') ----	
Operating Fixed assets	7.1	19,791,171	18,679,050
Capital work-in progress	7.2	1,787,080	1,467,217
		<u>21,578,251</u>	<u>20,146,267</u>

Notes to the Financial Statements

For the year ended 30 June 2022

7.1 Operating fixed assets

	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture and fittings	Office Equipment	Vehicles*	Computers	Total
	7.1.2 & 7.1.7	7.2.1	7.2.1	(Rupees in '000)				
2022								
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
Revaluation of fixed assets	-	-	-	-	-	-	-	-
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.

	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture and fittings	Office Equipment	Vehicles*	Computers	Total
	7.1.2 & 7.1.7	7.2.1	7.2.1	(Rupees in '000)				
2021								
Cost / revaluation as at 30 June 2020	1,906,912	2,082,759	14,212,205	47,003	88,145	49,624	74,466	18,461,114
Additions	-	196	9,670	265	5,606	31,744	9,947	57,428
Disposals	(80,000)	(3,212)	(18,598)	(178)	(80)	(20,114)	(2,055)	(124,237)
Transfers from capital work-in-progress	66,965	138,487	2,262,913	-	506	-	-	2,468,871
Revaluation of fixed assets	1,042,803	231,063	590,107	-	-	-	-	1,863,973
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
Accumulated depreciation as at 30 June 2020	-	925,759	2,485,102	17,984	27,006	25,569	49,118	3,530,538
Depreciation charge for the year	-	29,965	467,413	2,915	6,442	8,672	13,395	528,802
Disposals	-	(1,206)	(3,112)	(92)	(58)	(5,150)	(1,623)	(11,241)
Accumulated depreciation as at 30 June 2021	-	954,518	2,949,403	20,807	33,390	29,091	60,890	4,048,099
Book value as at 30 June 2021	2,936,680	1,494,775	14,106,894	26,283	60,787	32,163	21,468	18,679,050
Annual rate of depreciation (%)	-	2.5	2.5 to 50 & units of production	10	10	20	26.67	

* Include assets costing Rs. 30.9 million under common ownership under diminishing musharaka arrangement.

Notes to the Financial Statements

For the year ended 30 June 2022

7.1.1 Operating fixed assets include items having an aggregate cost of Rs. 140.86 million (2021: Rs. 169,542 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 42.6) 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 (2021: Rs. 1,012.127) million, Rs. 999.490 (2021: Rs. 939.751) million and Rs. 12,812.527 (2021: Rs 11,840.542) 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.

Description	Cost / Revaluation	Book value	Sale proceeds	Gain/ loss	Mode of disposal	Particulars of buyers	Relationship
----- (Rupees in '000') -----							
Mill Rolls	3,492	2,120	3,492	(1,372)	Negotiation	Umair Majeed	Vendor
Mill Rolls	2,870	614	380	234	Negotiation	Umair Majeed	Vendor
Roller	2,886	2,088	22	2,066	Negotiation	Al Hassan Traders	Vendor
Mill Rolls	552	534	33	501	Negotiation	Al Hassan Traders	Vendor
Toyota fortuner	789	775	1,052	(277)	Employee Car Scheme	Fazal Ahmed	Employee
	10,589	6,131	4,979	1,152			
Other assets having book value less than Rs. 500,000	107,291	12,780	16,133	(3,353)			
2022	117,880	18,911	21,112	(2,201)			
2021	124,237	112,996	130,028	17,036			

7.1.6 Depreciation charge for the year has been allocated as under:	Note	2022 ----- (Rupees in '000') -----	2021
Cost of sales – production of bars	31.1	377,476	295,919
Cost of sales – production of billets	31.1.1	282,997	200,167
Distribution costs	32	22,867	15,975
Administrative expenses	33	23,907	16,745
		707,247	528,806

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

	2022			2021	
	Leasehold land	Civil works	Plant and machinery	Total	Total
(Note 7.2.1)					
----- (Rupees in '000') -----					
Opening balance	-	940,415	526,802	1,467,217	2,720,375
Additions during the year	75,000	186,594	1,680,457	1,942,051	1,215,713
Transfer to operating fixed assets		(83,471)	(1,538,717)	(1,622,188)	(2,468,871)
Closing balance	75,000	1,043,538	668,542	1,787,080	1,467,217

Notes to the Financial Statements

For the year ended 30 June 2022

7.2.1 During the year borrowing costs have been capitalized amounting to Rs. 13.755 million (2021: Rs. 10.8 million) by using capitalization rate of 2.7% (2021: 3.02%).

8. Right-of-use-assets

	Note	2022	2021
---- (Rupees in '000') ----			
As at July 01			
Cost		133,153	83,271
Accumulated depreciation		(32,819)	(10,816)
Net book value		100,334	72,455
Year ended June 30			
Opening net book value		100,334	72,455
Additions		-	53,444
Lease modification during the year		(49)	-
Depreciation charge for the year	8.1	(23,875)	(23,012)
Lease terminated during the year		-	(2,553)
Closing net book value		76,410	100,334
As at June 30			
Cost		133,104	133,153
Accumulated depreciation		(56,694)	(32,819)
Net book value		76,410	100,334
8.1 Depreciation charge for the year on right-of-use-assets has been allocated as follows:			
---- (Rupees in '000') ----			
Distribution costs		17,390	16,527
Administrative expenses		6,485	6,485
		23,875	23,012

8.2 The right-of-use-assets comprise of office premises acquired on lease by the Company for its operations.

9. INTANGIBLE ASSETS

	2022	2021
---- (Rupees in '000') ----		
Computer software		
Net carrying value		
Balance at the beginning of the year	18,624	24,266
Additions during the year	891	3,039
Amortisation for the year	(7,643)	(8,681)
Balance at the end of the year	11,872	18,624
Gross carrying value		
Cost	71,465	68,426
Additions during the year	891	3,039
Accumulated amortisation	(60,484)	(52,841)
Balance at the end of the year	11,872	18,624
	Years	
Useful life	3 to 5	3 to 5

9.1 Intangible assets include items having an aggregate cost of Rs. 34.333 million (2021: Rs. 34.140 million) which have been fully amortized and are still in use of the Company

Notes to the Financial Statements

For the year ended 30 June 2022

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 8.4% (2021: 6.23% to 6.61%) per annum having maturity in June 2024.

11. LONG-TERM DEPOSITS AND LOANS-interest Free

	Note	2022	2021
		---- (Rupees in '000') ----	
Deposits			
Margin against guarantees		38,280	28,255
Utilities		77,305	77,485
Ijarah / Diminishing Musharaka		38,511	29,670
Container deposits		6,000	6,000
Rent		14,171	7,697
Others		-	3,242
		<u>174,267</u>	<u>152,349</u>
Loans - unsecured			
Due from:		---- (Rupees in '000') ----	
- Executives	11.1	45,898	9,261
- Employees		13,314	10,927
	11.2 & 11.3	<u>59,212</u>	<u>20,188</u>
Less: Receivable within one year			
- Executives		17,887	9,261
- Employees		11,599	10,927
		<u>29,486</u>	<u>20,188</u>
		<u>29,726</u>	<u>-</u>
		<u>203,993</u>	<u>152,349</u>

11.1 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 45.898 million (2021: Rs.9.261 million). The reconciliation of the carrying amount of loans to executives is as follows:

	2022	2021	
		---- (Rupees in '000') ----	
Balance at beginning of the year	9,261	3,273	
Disbursements	55,806	9,874	
Repayments	(19,169)	(3,886)	
Balance at end of the year	<u>45,898</u>	<u>9,261</u>	

11.2 Represents interest free loans to employees in accordance with the Company policy. These are recoverable in twelve to sixty equal monthly installments.

11.3 These are carried at cost as the financial impact of carrying at amortized cost is not material.

12. STOCK-IN-TRADE

	2022	2021	
		---- (Rupees in '000') ----	
Raw materials			
- In hand	5,085,067	2,024,381	
- In transit	768,436	1,391,467	
	<u>5,853,503</u>	<u>3,415,848</u>	
Work-in-process	1,245,729	790,973	
Finished goods			
- Manufactured	3,918,425	1,785,341	
	<u>11,017,657</u>	<u>5,992,162</u>	

Notes to the Financial Statements

For the year ended 30 June 2022

	Note	2022	2021
---- (Rupees in '000') ----			
Considered good		5,680,426	6,320,346
Considered doubtful		187,011	282,395
	13.3	5,867,437	6,602,741
Allowance for expected credit loss	13.1	(187,011)	(282,395)
		<u>5,680,426</u>	<u>6,320,346</u>

13.1 Movement of allowance for expected credit loss

Opening balance		282,395	351,993
Charge / (reversal) during the year		5,177	(69,598)
Write-off during the year		(100,561)	-
Closing balance		<u>187,011</u>	<u>282,395</u>

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') -----					
2022					
Expected credit loss rate	3.19%	0.09%	0.81%	11.26%	37.35%
Estimated total gross carrying amount at default	5,867,437	4,420,844	926,139	72,304	448,150
Expected credit loss	187,011	3,951	7,510	8,144	167,406
2021					
Expected credit loss rate	4.28%	0.14%	1.12%	10.96%	59.68%
Estimated total gross carrying amount at default	6,602,741	5,038,585	1,021,455	123,128	419,573
Expected credit loss	282,395	7,077	11,411	13,494	250,413

*includes amount receivable from related party

13.3 Includes amount receivable from Hadi Akberali – a related party amounting to Rs. 3.331 million (2021: Rs. Nil).

13.4 The maximum amount due from related party at the end of any month during the year was Rs. 3.9 million (2021: Rs. Nil). The Company has recognized an allowance for expected credit loss amounting to Rs. 0.038 million (2021: Rs. Nil) as of 30 June 2022.

	Note	2022	2021
---- (Rupees in '000') ----			
Current portion of long term loans	11	29,486	20,188
Advances - interest free			
Considered good			
Suppliers		23,666	13,544
Employees		295	312
		23,961	13,856
Considered doubtful		1,376	1,376
Less: allowance for expected credit losses		(1,376)	(1,376)
		-	-
		23,961	13,856
		<u>53,447</u>	<u>34,044</u>

Notes to the Financial Statements

For the year ended 30 June 2022

15. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits - interest free

Considered good

Container deposits

Considered doubtful

Less: allowance for expected credit losses

Short term prepayments

- Insurance
- Software maintenance
- Subscription fee
- Others

	2022	2021
	---- (Rupees in '000') ----	
	10,165	8,468
	-	12,750
	-	(12,750)
	-	-
	10,165	8,468
	5,395	2,958
	10,997	8,179
	3,750	-
	953	1,467
	21,095	12,604
	31,260	21,072

16. CASH AND BANK BALANCES

Cash in hand

Bank balances

Current accounts

Saving accounts

	2022	2021
	---- (Rupees in '000') ----	
	46,299	50,097
	308,164	324,495
	2,406	3,981
	310,570	328,476
	356,869	378,573

16.1 These carry profit at rates ranging from 5.50% to 5.67% (2021: 2.7% to 3.3%) per annum

17. SHARE CAPITAL

17.1 Authorized capital

Number of shares	
2022	2021
420,000,000	420,000,000
80,000,000	80,000,000
500,000,000	500,000,000

Ordinary shares of Rs. 10/- each
Cumulative preference shares of
Rs. 10/-each

	2022	2021
	---- (Rupees in '000') ----	
	4,200,000	4,200,000
	800,000	800,000
	5,000,000	5,000,000

17.2 Issued, subscribed and paid-up capital

263,883,930	263,883,930
33,127,497	33,127,497
297,011,427	297,011,427

Ordinary shares of Rs. 10/- each

Issued for cash
Issued for consideration other than cash

	2,638,839	2,638,839
	331,275	331,275
	2,970,114	2,970,114

Notes to the Financial Statements

For the year ended 30 June 2022

	2022	2021
	---- (Rupees in '000') ----	
17.3 Following is the detail of shares held by the related parties:		
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 Kijat	500	500
Mr. Zafar Ahmed Taji	12,000	12,000
	<u>223,470,347</u>	<u>223,470,347</u>

17.4 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.

17.5 Voting rights, Board selection, right of first refusal and block voting are in proportion to the shareholding.

18. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	---- (Rupees in '000') ----	
Opening balance	4,744,717	3,045,703
Revaluation surplus during the year	-	1,863,973
Reversal of revaluation surplus on assets disposed during the year	-	(81,917)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year	(102,849)	(83,042)
	<u>4,641,868</u>	<u>4,744,717</u>
Related deferred tax liability		
Opening balance	(970,149)	(757,092)
Revaluation of fixed assets during the year	-	(238,139)
Revaluation surplus on assets disposed during the year	-	1,000
Incremental depreciation charged during the year	33,940	24,082
	<u>(936,209)</u>	<u>(970,149)</u>
	<u>3,705,659</u>	<u>3,774,568</u>
18.1 Breakup of revaluation surplus net of deferred tax is as follows:		
Leasehold land	1,924,553	1,924,553
Buildings on leasehold land	349,219	358,495
Plant and machinery	1,431,887	1,491,520
	<u>3,705,659</u>	<u>3,774,568</u>

19. LONG-TERM FINANCING - secured

	Note	2022	2021
Term Finance Facility	19.1	5,041,473	5,451,467
Islamic Temporary Economic Refinance Facility (ITERF)	19.2	698,807	150,426
Refinance Scheme for payment of wages and salaries	19.3	112,825	327,830
Diminishing Musharika	19.4	321,434	20,476
Current Portion		(1,353,625)	(1,129,289)
		<u>4,820,914</u>	<u>4,820,910</u>

19.1 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 months KIBOR plus 0.4% to 3 months KIBOR plus 1.5% (2021: 1 month KIBOR plus 1.15% to 6 months 1.5% per annum). These facilities are secured initially against a ranking charge of PKR 330 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, 2022, unutilized portion of the facilities is Rs. Nil million (2021: Rs. Nil).

19.2 Represent 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 December 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% (2021: 2.25%) per annum. The differential mark-up has been recognised as government grant (as mentioned in note 25) which will be amortised over the period of facility. This facility is secured against specific charge on plant and machinery of the Company. As of June 30, 2022, unutilized portion of the facility is Rs. 100 million (2021: Rs. Nil).

Notes to the Financial Statements

For the year ended 30 June 2022

19.3 Represent financing facilities obtained from a conventional bank under the Refinance Scheme for Paymnet 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 25) which will be amortised over the period of facility. The facilities are secured by way of first pari passu over on fixed assets of the Company with 25% margin over the facility amount. As of June 30, 2022, unutilized portion of the facility is Rs. Nil (2021: Rs. Nil).

19.4 Represents Diminishing Musharaka facility obtained from Islamic financial institutions. These facilities are repayable in equal monthly and quarterly installments latest by June 2025 and 2031 respectively. These carry markup rate ranging from 6 months KIBOR plus 0.75% to 6 months KIBOR plus 1.6% per annum (2021: 6 months KIBOR plus 0.75% 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, 2022, unutilized portion of the facilities is Rs. 277.565 million (2021: Rs. 19.141 million).

20. LONG-TERM PROVISION

"Represents non-current portion of provision for Gas Infrastructure Development Cess (GIDC). During the year, the Honourable 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 Honourable 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 provided provision amounting to Rs. 220.964 million under the relevant accounting standards and ICAP guidelines in this regard.

21. LOAN FROM RELATED PARTIES – unsecured

Represents loans obtained from related parties amounting to 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.

22. DEFERRED TAXATION

	Note	2022	2021
		---- (Rupees in '000') ----	
Deductible temporary differences arising in respect of:			
Provisions		(330,640)	(274,728)
Unused tax credits	22.1	(2,525,467)	(2,357,543)
		<u>(2,856,107)</u>	<u>(2,632,271)</u>
Taxable temporary differences arising in respect of:			
Accelerated tax depreciation / amortization		2,535,812	1,845,099
Right-of-use-assets		25,215	29,096
Surplus on revaluation of property, plant and equipment		936,208	971,079
		<u>3,497,235</u>	<u>2,845,274</u>
		<u>641,128</u>	<u>213,003</u>

22.1 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 the statement of financial position, deferred tax asset amounting to Rs. 193.264 million in respect of minimum tax credits has not been recognised in these financial statements.

23. DEFERRED LIABILITY

	Note	2022	2021
		---- (Rupees in '000') ----	
Defined benefit obligation – gratuity scheme	23.1	<u>369,916</u>	<u>309,193</u>
23.1 Amount recognised in statement of financial position			
Opening balance		309,193	254,748
Charge for the year	23.2	71,521	85,073
Recognised in other comprehensive income		17,073	5,608
Benefits paid		(27,871)	(36,236)
Closing balance		<u>369,916</u>	<u>309,193</u>
23.2 Movement in the present value of defined benefit obligation			
Current service cost		41,374	65,897
Interest cost		30,147	19,176
		<u>71,521</u>	<u>85,073</u>

Notes to the Financial Statements

For the year ended 30 June 2022

23.3 Historical information for defined benefit plans

	2022	2021	2020	2019	2018
	----- (Rupees in '000') -----				
Present value of defined benefit obligations	369,916	309,193	254,748	205,420	155,678
Experience adjustment on plan liabilities	17,073	5,608	5,325	22,488	13,546

23.4 Principal actuarial assumptions

	2022	2021
Expected rate of increase in salary level	12.25%	9.00%
Valuation discount rate	13.25%	10.00%
Average expected remaining working life of employees	9.7 years	9.8 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)

23.5 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.

23.6 Charge for the year has been allocated as follows:

	Note	2022	2021
		---- (Rupees in '000') ----	
Cost of sales – production of bars	31.1.2	20,129	22,390
Cost of sales – production of billets	31.1.1.1	13,540	16,342
Distribution costs	32.1	11,685	14,450
Administrative expenses	33.1	26,167	31,891
		<u>71,52</u>	<u>85,073</u>

23.7 Sensitivity analysis

	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
	2021			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	----- (Rupees in '000') -----			
Present value of defined benefit obligations	273,785	332,976	333,057	272,846

Notes to the Financial Statements

For the year ended 30 June 2022

23.8 As of June 30, 2022, a total of 629 employees have been covered under the above scheme.

23.9 As per the recommendation of the actuary, the charge for the year ending June 30, 2023 amounts to Rs. 92.337 million.

24. LONG-TERM LEASE LIABILITIES

	2022	2021
	---- (Rupees in '000') ----	
Balance at beginning of the year	107,817	72,348
Additions during the year	-	53,444
Accretion of interest	9,270	11,639
Lease rental payments made during the year	(30,271)	(26,644)
Lease terminated during the year	-	(2,970)
Lease modification during the year	(49)	-
Balance at end of the year	86,767	107,817
Current portion of lease liabilities	(14,351)	(22,854)
Long-term lease liabilities	72,416	84,963
24.1 Maturity analysis		
Gross lease liabilities - minimum lease payments:		
Not later than 1 year	22,060	30,837
Later than 1 year but not later than 5 years	62,401	76,927
Later than 5 years	50,999	58,255
	135,460	166,019
Future finance charge	(48,693)	(58,202)
Present value of finance lease liabilities	86,767	107,817

25. GOVERNMENT GRANT

	2022	2021
	---- (Rupees in '000') ----	
Opening balance	13,419	11,842
Received during the year	232,272	23,183
Released to the statement of profit or loss	(32,407)	(21,606)
Closing balance	213,284	13,419
Current portion of government grant	42,643	12,494
Non Current portion of government grant	170,641	925
	213,284	13,419

25.1 Government grants have been recorded against reduced rate loan obtained from commercial banks pursuant to a refinance scheme introduced by State Bank of Pakistan to provide working capital and long term loan at concessional mark-up rates for businesses to finance salary expense during the COVID-19 outbreak and to import plant and machinery respectively.

26. TRADE AND OTHER PAYABLES

	2022	2021
	---- (Rupees in '000') ----	
Creditors	365,001	407,878
Murabaha	4,056,998	3,235,493
Accrued liabilities	1,281,199	1,118,338
Current portion of provision for GIDC	66,501	66,847
Workers' Welfare Fund	202,477	157,787
Workers' Profit Participation Fund	111,725	74,406
Withholding tax payable	21,784	16,186
Sales tax payable	132,450	-
Ijarah rentals payable	191	191
	6,238,326	5,077,126

Notes to the Financial Statements

For the year ended 30 June 2022

- 26.1** Represents Murabaha facilities amounting to Rs. 7,300 million (2021: Rs. 6,050 million) obtained from Islamic banks for purchase of raw material. These carry profit at the rates ranging from relevant 6 month KIBOR plus 0.5% to 3 month KIBOR plus 1.5% per annum (2021: 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.
- 26.2** 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 Honourable High Court of Sindh due to the 18th amendment in the Constitution of Pakistan.

27. INTEREST / MARK-UP ACCRUED

	2022	2021
	---- (Rupees in '000') ----	
Long-term financing	71,160	35,844
Short-term borrowings	298,210	143,963
Murabaha	110,872	70,799
	<u>480,242</u>	<u>250,606</u>
Related parties	40,897	16,665
	<u>521,139</u>	<u>267,271</u>

28. SHORT-TERM BORROWINGS – secured

	Note	2022	2021
		---- (Rupees in '000') ----	
Cash finance	28.1	5,069	712,513
Running finance	28.2	2,017,211	2,224,256
Istisna	28.3	2,906,882	1,780,700
Finance against trust receipts	28.4	7,019,110	4,756,612
Short term loan	28.5	625,000	-
		<u>12,573,272</u>	<u>9,474,081</u>

- 28.1** Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 1 month KIBOR plus 0.75% to 1 month KIBOR plus 1% per annum. (2021: 1 month KIBOR plus 0.75% to 3 month KIBOR plus 1% per annum).
- 28.2** Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 3 month KIBOR plus 0.6% to 3 month KIBOR plus 1.50% per annum (2021: 3 month KIBOR plus 0.6% to 3 month KIBOR plus 1.50% per annum).
- 28.3** Represents working capital facilities availed from various Islamic banks carrying profit ranging from 6 month KIBOR plus 0.75% to 6 months KIBOR plus 1% per annum (2021: 6 month KIBOR plus 0.5% to 6 month KIBOR plus 1.0%).
- 28.4** Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 1 month KIBOR plus 0.5% to 3 month KIBOR plus 1.35% per annum (2021: 1 month KIBOR plus 0.50% to 3 month KIBOR plus 1.0% per annum).
- 28.5** Represents working capital facilities availed from various Islamic and conventional banks carrying markup/profit ranging from 3 month KIBOR plus 1.15% per annum to 3 month KIBOR plus 1.25% per annum.
- 28.6** 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. 2,104 million and Rs. 5,027 million (2021: Rs. 835 million and Rs. 2,229 million) respectively. These facilities are secured by way of joint hypothecation charge over present and future current assets of the Company with 25% margin.

29. CONTINGENCIES AND COMMITMENTS

Contingencies

- 29.1** 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 Honourable 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.

Notes to the Financial Statements

For the year ended 30 June 2022

- 29.2** 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 2022 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.
- 29.3** 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.
- 29.4** 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.
- 29.5** 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.
- 29.6** During the year, 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.
- 29.7** 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.196.06 million has been raised. The Company being aggrieved with the said order, has filed an appeal before the Commissioner Inland Revenue (Appeals) (IR (Appeals)) and is pending adjudication.

	2022	2021
	---- (Rupees in '000') ----	
Commitments		
29.8 Outstanding letters of credit		
- Material	5,814,377	5,069,790
- Capex	229,048	1,629,189
	<u>6,043,425</u>	<u>6,698,979</u>
Outstanding letters of guarantee	<u>583,356</u>	<u>495,819</u>
29.9 Commitments for rentals payable under Ijarah contracts in respect of vehicles and plant and machinery with Islamic banks are as follows:		
Not later than one year	<u>45,343</u>	<u>60,914</u>
Later than one year but not later than five years	<u>56,373</u>	<u>88,407</u>

Notes to the Financial Statements

For the year ended 30 June 2022

30. SALES – net

	2022	2021
	---- (Rupees in '000') ----	
Local		
Gross sales	68,079,966	45,844,515
Less: sales tax	(9,906,711)	(6,660,053)
Less: trade discounts	(46,916)	(36,671)
	<u>58,126,339</u>	<u>39,147,791</u>
Export sales	57,943	70,662
	<u>58,184,282</u>	<u>39,218,453</u>

30.1 Revenue recognized during the year from contract liabilities as at the beginning of the year amounted to Rs. 499.708 million (2021: Rs. 962.783 million).

31. COST OF SALES

	Note	2022	2021
		---- (Rupees in '000') ----	
Manufactured stock - bars	31.1	51,121,950	34,155,012
Manufactured stock - billets		570,845	521,303
		<u>51,692,795</u>	<u>34,676,315</u>

31.1 Cost of sales – manufactured goods

Opening stock – work in progress	12	790,973	1,031,797
Cost of billets manufactured internally	31.1.1	49,358,241	29,928,351
Billets sold		(570,845)	(521,303)
Purchases		1,607,826	1,503,492
Closing stock – work in progress	12	(1,245,729)	(790,973)
		<u>49,940,466</u>	<u>31,151,364</u>
Manufacturing overheads			
Stores and spares consumed		325,528	293,141
Salaries, wages and other benefits	31.1.2	452,713	352,201
Cartage and transport		420,153	307,354
Fuel, power and water	31.1.3	1,643,163	1,144,733
Depreciation	7.1.6	377,476	295,919
ljarah rentals		1,396	1,345
Repairs and maintenance		28,487	39,740
Insurance		3,669	3,696
Rent, rates and taxes		646	539
Consultancy charges		322	15,289
Vehicle running expense		14,440	8,791
Conveyance and travelling		15,103	14,582
Entertainment expenses		17,003	13,201
Others		28,791	8,640
		<u>3,328,890</u>	<u>2,499,171</u>
Cost of goods manufactured		53,269,356	33,650,535
Cost of bars used for own use		(14,322)	(16,538)
		<u>53,255,034</u>	<u>33,633,997</u>
Finished goods			
Opening stock	12	1,785,341	2,306,356
Closing stock	12	(3,918,425)	(1,785,341)
		<u>(2,133,084)</u>	<u>521,015</u>
		<u>51,121,950</u>	<u>34,155,012</u>

Notes to the Financial Statements

For the year ended 30 June 2022

33.1.1 Cost of billets manufactured internally	Note	2022	2021
---- (Rupees in '000') ----			
Raw material consumed			
Opening stock	12	2,024,381	1,099,360
Purchases		42,648,192	23,932,374
		44,672,573	25,031,734
Closing stock	12	(5,085,067)	(2,024,381)
		39,587,506	23,007,353
Manufacturing overheads			
Stores and spares consumed		3,333,377	2,120,731
Salaries, wages and other benefits	31.1.1.1	546,313	429,934
Depreciation	7.1.6	282,997	200,167
Fuel and power	31.1.1.2	5,410,228	4,039,004
Ijarah rentals		6,360	7,337
Cartage		67,539	40,812
Repairs and maintenance		33,067	18,366
Rent, rates and taxes		562	2,782
Insurance		4,812	4,222
Conveyance and travelling		28,248	30,895
Entertainment expenses		15,113	11,883
Vehicle running expense		14,214	9,966
Others		27,905	4,899
		9,770,735	6,920,998
		49,358,241	29,928,351

31.1.1.1 Includes Rs.13.54 million (2021: Rs.16.342 million) in respect of staff retirement benefits.

31.1.1.2 Includes Rs.229.660 million (2021: Rs.Nil) in respect of reversal of provision of Industrial Support Package Adjustment (ISPA) charge.

31.1.2 Includes Rs. 20.129 million (2021: Rs. 22.390 million) in respect of staff retirement benefits.

31.1.3 Includes Rs.43.011 million (2021: Rs.Nil) in respect of reversal of provision of Industrial Support Package Adjustment (ISPA) charge.

32. DISTRIBUTION COSTS	Note	2022	2021
---- (Rupees in '000') ----			
Salaries, allowances and other benefits	32.1	243,871	175,527
Carriage and transport		375,108	335,015
Advertisement and sales promotion		286,631	219,990
Depreciation	7.1.6 & 8.1	40,257	32,502
Utilities		11,341	7,965
Bundling and special order charges		113,711	87,426
Rent, rates and taxes		755	1,470
Vehicle running expense		11,882	7,125
Travelling and conveyance		13,790	4,338
Packing material		53,022	36,756
Repair and maintenance		41,745	29,385
Entertainment		5,940	1,707
Others		5,587	6,414
		1,203,640	945,620

32.1 Includes Rs. 11.685 million (2021: Rs. 14.450 million) in respect of staff retirement benefits.

Notes to the Financial Statements

For the year ended 30 June 2022

	Note	2022	2021
		---- (Rupees in '000') ----	
Salaries, allowances and other benefits	33.1	506,948	366,934
Depreciation	7.1.6 & 8.1	30,392	23,230
Amortisation	9	7,643	8,681
Travelling and conveyance		5,314	3,340
Legal and professional charges		33,353	33,003
Research expenses		10,057	11,306
Vehicles running expenses		21,189	15,530
Entertainment		5,096	4,890
Security guard expenses		4,102	3,760
Insurance		1,711	1,566
Computer consumables		24,630	22,725
Rent, rates and taxes		11,547	9,205
Communication charges		9,195	8,417
Printing and stationery		4,621	5,954
Utilities		11,426	6,731
Auditors' remuneration	33.2	3,895	2,960
Repairs and maintenance		30,864	15,823
Ijarah rentals		6,739	9,457
Others		7,249	1,104
		735,971	554,616

33.1 Includes Rs. 26.167 million (2021: Rs. 31.891 million) in respect of staff retirement benefits.

35.2 Auditors' remuneration

	2022	2021
	---- (Rupees in '000') ----	
Audit fee	2,300	1,842
Review of half yearly financial statements and other certifications	1,100	640
Out of pocket expenses	495	478
	3,895	2,960

34. OTHER EXPENSES

	Note	2022	2021
		---- (Rupees in '000') ----	
Workers' profit participation fund		111,725	74,406
Workers' Welfare fund		44,690	29,762
Detention charges		8,092	479
Donations	34.1	21,938	19,142
		186,445	123,789

34.1 Donations include the following donees to whom donations exceed 10% of total donation or Rs. 1 million whichever is higher:

	2022	2021
Namal University	8,000	4,698
Lady Dufferin Hospital	-	3,075
Sina Health, Education and Welfare	-	1,500
The Citizen Foundation	3,000	2,800
Khana Ghar	1,369	1,405
Quality Schools Foundation	1,000	-
	13,369	13,478

Notes to the Financial Statements

For the year ended 30 June 2022

35. OTHER INCOME

	2022	2021
	---- (Rupees in '000') ----	
Income from financial assets		
- Profit on saving accounts	41	112
- Profit on TDRs	1,018	968
	<u>1,059</u>	<u>1,080</u>
Income from non-financial assets		
- Gain on disposal of property, plant and equipment	2,201	17,036
- Exchange gain	-	957
- Scrap sales	8,497	4,629
- Gain on leases terminated during the year	-	416
- Reversal of excess provision against security deposit considered doubtful	12,750	-
	<u>23,448</u>	<u>23,038</u>
	<u>24,507</u>	<u>24,118</u>

36. FINANCE COSTS

	2022	2021
	---- (Rupees in '000') ----	
Markup / interest		
Long-term financing	538,795	500,708
Short-term borrowings	1,315,555	841,969
Murabaha	376,764	229,982
Loan from related parties	38,720	25,010
Right-of-use-assets	9,270	11,639
Workers' profit participation fund	5,206	-
	<u>2,284,310</u>	<u>1,609,308</u>
Bank charges	22,387	18,570
	<u>2,306,697</u>	<u>1,627,878</u>

37. TAXATION

	Note	2022	2021
		---- (Rupees in '000') ----	
Current tax	37.1	853,141	587,923
Deferred		(100,592)	(572,231)
		<u>752,549</u>	<u>15,692</u>

37.1 The return of income for the tax year 2021 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.

38. BASIC AND DILUTED EARNINGS PER SHARE

	2022	2021
	---- (Rupees in '000') ----	
Net profit for the year	<u>1,325,515</u>	<u>1,368,259</u>
	Number of shares	
Weighted average number of ordinary shares of Rs. 10/- each	<u>297,011,427</u>	<u>297,011,427</u>
	---- (Rupees) ----	
Basic and diluted earnings per share	<u>4.46</u>	<u>4.61</u>

Notes to the Financial Statements

For the year ended 30 June 2022

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Note	2022		
		Chief Executive	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	39.3	-	52,916	52,916
		<u>56,161</u>	<u>394,360</u>	<u>450,521</u>
Number		<u>1</u>	<u>50</u>	<u>51</u>

	Note	2021		
		Chief Executive	Executives	Total
		----- (Rupees in '000) -----		
Managerial remuneration		17,140	110,456	127,596
Housing allowance		7,713	49,390	57,103
Utilities & conveyance		6,594	41,995	48,589
Medical		2,814	18,127	20,941
Gratuity		2,071	13,320	15,391
Bonus		900	9,247	10,147
Others	39.3	19	33,101	33,120
		<u>37,251</u>	<u>275,636</u>	<u>312,887</u>
Number		<u>1</u>	<u>39</u>	<u>40</u>

39.1 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.

39.2 The aggregate amount paid to the six Non-Executive Directors (2021: six Non-Executive Directors) as a fee for attending the meetings is Rs. 4.7 million (2021: Rs. 6.125 million)

39.3 Other includes payment against car benefit allowance, drivers' salaries, mobile allowance, achievement of KPI, career merit points and gratuity contribution etc.

Notes to the Financial Statements

For the year ended 30 June 2022

40. CASH GENERATED FROM OPERATIONS

		2022	2021
	Note	----- (Rupees in '000') -----	
Cash flows from operating activities			
Profit before taxation		2,078,064	1,383,951
Adjustments for:			
Depreciation – operating fixed assets	7.1.6	707,247	528,806
Depreciation – right-of-use-asset	8.1	23,875	23,012
Amortization	9	7,643	8,681
Allowance for / (Reversal of) expected credit loss	13.1	5,177	(69,598)
Bad debts written off	13.1	(100,561)	-
Reversal of provision for security deposits	35	(12,750)	-
Reversal of provision for Industrial Support Package			-
Adjustment (ISPA) charge		(272,671)	-
Reversal of provision for GIDC		(12,846)	-
Provision for gratuity	23.1	71,521	85,073
Gain on disposal of operating fixed assets	35	(2,201)	(17,036)
Gain on leases terminated during the year	35	-	(416)
Finance costs	36	2,297,427	1,637,845
Interest expenses on leases	36	9,270	11,639
		2,721,131	2,208,006
Operating profit before working capital changes		4,799,195	3,591,957
(Increase) / decrease in current assets:			
Stores and spares		(1,300,802)	227,678
Stock-in-trade		(5,025,495)	1,821,432
Trade debts		735,304	(1,350,415)
Loans and advances		(19,403)	(5,128)
Trade deposits and short-term prepayments		2,562	621,818
Other receivables		274,947	252,747
		(5,332,887)	1,568,132
Increase / (decrease) in current liabilities:			
Trade and other payables		612,712	182,316
Contract liabilities		476,286	(463,075)
		1,088,998	(280,759)
Cash generated from operations		555,306	4,879,330

41. CASH AND CASH EQUIVALENTS

Cash and bank balances	16	356,869	378,573
Running finance	28	(2,017,211)	(2,224,256)
		(1,660,342)	(1,845,683)

42. 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.

42.1 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).

Notes to the Financial Statements

For the year ended 30 June 2022

42.1.1 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 interest rate risk arises from long-term financing, short-term borrowings, murabaha and term deposit receipts having floating rates. Change in benchmark interest rate by 1% may have a positive or negative impact of approximately Rs. 231 million (2021: Rs. 190 million) in statement of profit or loss. The analysis is made based on the assumption that all other variables remain constant.

42.1.2 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).

	2022		2021	
	US Dollar	Euro	US Dollar	Euro
Trade and other payables	-	-	-	488
Short-term borrowings	-	-	-	-

The following significant exchange rates have been applied at the reporting dates:

	(Rupees)	(Rupees)
	-	188.71

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 2022	-	-	-	-
	-	-	-	-
30 June 2021	+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

42.1.3 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 Risk Management function is regularly conducting detailed analysis on Sectors/Industries and identify the degree by which the Companies' customers and their businesses have impacted amid COVID-19. Keeping in view short term and long-term outlook of each sector, management has taken into consideration the factors while calculating expected credit losses against trade debts and other receivables.

Notes to the Financial Statements

For the year ended 30 June 2022

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	2022	2021
---- (Rupees in '000') ----			
Investments	10	14,289	15,289
Trade debts	13	5,680,426	6,320,346
Loans	14	29,486	20,188
Security deposits	15	10,165	8,468
Other receivables		266	84,241
Bank balances	16	310,570	328,476
		<u>6,045,202</u>	<u>6,777,008</u>

44.2.1 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	2022	2021
---- (Rupees in '000') ----			
Trade debts			
The ageing of trade debts at the statement of financial position date was:			
Neither past due nor impaired		4,420,844	5,038,585
Past due 1 to 90 days		926,139	1,021,455
Past due 91 to 180 days		72,304	123,128
More than 180 days		448,150	419,573
	13	<u>5,867,437</u>	<u>6,602,741</u>
Bank balances			
Ratings			
A1+		206,732	171,363
A-1		70,690	144,797
A-2		24,583	1,997
Unrated		8,565	10,319
	16	<u>310,570</u>	<u>328,476</u>
Investments			
Ratings			
AAA		-	1,000
A+		14,289	14,289
	10	<u>14,289</u>	<u>15,289</u>

42.3 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.

Notes to the Financial Statements

For the year ended 30 June 2022

Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

2022	Less than 3 months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
	(Rupees in '000')				
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
Trade and other payables	3,059,302	1,362,889	-	-	4,422,191
Contract liabilities	975,994	-	-	-	975,994
Accrued mark-up	455,396	24,851	-	-	480,247
Short-term borrowings	7,235,140	5,320,927	-	-	12,556,067
	<u>11,923,384</u>	<u>7,898,885</u>	<u>5,024,707</u>	<u>718,728</u>	<u>25,565,704</u>

2021	Less than 3 months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
	(Rupees in '000')				
Long-term financing	176,974	1,320,325	5,348,452	281,543	7,127,294
Loan from related parties	6,451	19,352	373,728	-	399,531
Trade and other payables	3,818,393	1,026,540	-	-	4,844,933
Contract liabilities	499,708	-	-	-	499,708
Accrued mark-up	235,478	31,793	-	-	267,271
Short-term borrowings	6,365,219	3,108,862	-	-	9,474,081
	<u>11,102,223</u>	<u>5,506,872</u>	<u>5,722,180</u>	<u>281,543</u>	<u>22,612,818</u>

42.4 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 behaviour. 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.

42.5 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.

Notes to the Financial Statements

For the year ended 30 June 2022

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	2022	2021
---- (Rupees in '000') ----			
Gearing ratio			
Long-term financing	19	6,174,539	5,950,199
Trade and other payables	26	6,238,326	5,077,126
Contract liabilities		975,994	499,708
Lease Liabilities	24	86,767	107,817
Accrued mark-up	27	521,139	267,271
Short-term borrowings	28	12,573,272	9,474,081
Total debt		<u>26,570,037</u>	<u>21,376,202</u>
Cash and bank balances	16	(356,869)	(378,573)
Net debt		<u>26,213,168</u>	<u>20,997,629</u>
Share capital	17	2,970,114	2,970,114
Reserves		8,578,933	7,195,948
Surplus on revaluation of property, plant and equipment	18	3,705,659	3,774,568
Total equity		<u>15,254,706</u>	<u>13,940,630</u>
Equity and net debt		<u>41,467,874</u>	<u>34,938,259</u>
		<u>63%</u>	<u>60%</u>

42.6 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.

	2022			2021
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000') -----			
Property, plant and equipment	-	19,466,013	-	19,466,013
				18,538,349

Notes to the Financial Statements

For the year ended 30 June 2022

45. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2022	2021
43.1 Financial assets as per statement of financial position			
At amortised cost		---- (Rupees in '000') ----	
Term deposits receipts	10	14,289	15,289
Trade debts	13	5,680,426	6,320,346
Loans	14	29,486	20,188
Accrued profit on term deposits receipts		266	185
Bank balances	16	310,570	328,476
43.2 Financial liabilities as per statement of financial position			
At amortised cost			
Long term financing	19	6,174,539	5,950,199
Loan from related parties	21	341,333	341,333
Trade payable	26	4,422,191	4,828,747
Interest / mark up accrued	27	521,139	267,271
Short term borrowing	28	12,573,272	9,474,081
Unclaimed dividend		5,610	5,718

44. 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:

44.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

	2022	2021
Nature of transactions		
Transaction with directors	---- (Rupees in '000') ----	
- Payment of interest to related parties	8,819	-
- Sale of Laptop	23	-
Transactions with associates		
- Entertainment expense	526	187
- Donation to Caravan of Life Trust	200	100
- Donation to The Hunar Foundation	738	-
Transactions with shareholder		
- Sale of bars	15,156	5,045
- Payment of interest to shareholder	5,669	-
- Payment of rent and security deposit of rented office	8,190	-

44.1.1 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	Caravan of Life Trust	Associate (common directorship)	-
8	Amreli Global Enterprises (Private) Limited	Associate (common directorship)	-
9	Mr. Hadi Akberali	Shareholder	12.70%
10	Ms. Salsabil Akberali	Shareholder	0.42%
11	Ms. Kinza Shayan	Director	0.59%
12	Mr. Abbas Akberali	Director	30.74%

Notes to the Financial Statements

For the year ended 30 June 2022

44.1.2 None of the key management personnel had any arrangements with the Company other than the employment contract.

44.1.3 All the transactions with related parties are entered in accordance with the terms of agreement as approved by Board of Directors of the Company.

45. PLANT CAPACITY AND ACTUAL PRODUCTION

	2022	2021
	----- (Metric Ton) -----	
45.1 Billets		
Plant - name plate capacity	600,000	600,000
Available capacity	492,000	492,000
Actual production	380,817	366,400
45.2 Bars		
Plant - name plate capacity	605,000	605,000
Available capacity	605,000	605,000
Actual production	370,566	356,316

45.3 Actual production during the year is in line with the market demand.

46. 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 99.91% during the year ended June 30, 2022 (June 30, 2021: 99.84%).

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 16% during the year ended June 30, 2022 (June 30, 2021: 20%).

46.1 Geographical information

The Company's gross revenue from external customers by geographical location is detailed below:

	2022	2021
	---- (Rupees in '000') ----	
Domestic sales	68,079,966	45,844,515
Export sales	57,943	70,662
	68,137,909	45,915,177
46.1.1 Region wise export sales are as under:		
Korea	57,943	70,662

Notes to the Financial Statements

For the year ended 30 June 2022

47. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2022	2021
	----- (Number) -----	
Total number of employees' as at June 30	755	751
Average number of employees' during the year	744	737

48. GENERAL

48.1 Corresponding figures have been reclassified / rearranged, wherever necessary.

48.2 Figures have been rounded off to the nearest thousand, unless otherwise stated.

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 18 August 2022 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer

A Demonstration That Narrates Diversity

Other Information

Vintage Church - Lahore





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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 _____, 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 38th Annual General Meeting of the Company to be held on 20th day of October 2022 and at any adjournment thereof.
Signed this ____ day of _____ 2022.

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.

**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



پراکسی فارم

کمپنی سیکریٹری
امرلی اسٹیٹو لمیٹڈ
A-18، سائٹ، کراچی۔

میں / ہم _____ سکشن / ساکنان _____ بطور ممبر
(ممبران) امرلی اسٹیٹو لمیٹڈ حامل / حاملین _____ عام حصص بحوالہ فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر _____
اور ذیلی اکاؤنٹ نمبر _____ بذریعہ ہذا جناب / محترمہ _____ سکشن / ساکنان
کو اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں / کرتے ہیں تاکہ وہ میری / ہماری جانب سے کمپنی کے 38 ویں سالانہ
اجلاس عام بروز جمعرات مورخہ 20 اکتوبر 2022 صبح 10 بجے شرکت کرے اور حق رائے دہی استعمال کرے، یا مذکورہ اجلاس منسوخ ہونے کی صورت میں اس کی جگہ ہونے
والے دیگر اجلاس میں شریک ہو۔

دستخط شدہ بروز _____ مورخہ _____ 2022۔

ریونیومر یہاں چسپاں کریں

دستخط حامل / حاملین حصص

گواہ نمبر 1

دستخط:

نام:

پتہ:

قومی شناختی کارڈ / پاسپورٹ نمبر:

گواہ نمبر 2

دستخط:

نام:

پتہ:

قومی شناختی کارڈ / پاسپورٹ نمبر:

اہم نکات:

- 1۔ باقاعدہ پرشدہ اور دستخط شدہ پراکسی فارم کمپنی کے رجسٹرڈ شدہ 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۔



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