



Shaping Tomorrow

**Inbuilt Excellence
Unwavering Resilience**

**ANNUAL REPORT
2023**



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2023

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Corporate Profile



Empowering Industries Enriching Lives



International Steels Limited (ISL) stands as a pioneer in the Flat Steel manufacturing industry in Pakistan. Founded in 2007, the company embarked on its journey of excellence and commenced production in 2010, establishing a state-of-the-art flat steel complex with an impressive investment of approximately US\$ 300 million. Since then, ISL has continuously expanded its manufacturing capacity, and today, it is a leading manufacturer of Cold Rolled Steel, Galvanized Steel, and Color Coated Steel, catering to diverse industrial and commercial applications.

Manufacturing Excellence:

ISL's manufacturing facilities sprawl across a 32-acre land in the vibrant Port City of Karachi. Here, cutting-edge technology and sustainable practices blend seamlessly, enabling the production of high-quality flat steel products that comply with global standards. The company's commitment to providing value-added services to its customers led to the establishment of a dedicated Service Center, enhancing the convenience of its customers with processed and finished flat steel in readily consumable forms.

Investment To Date



\$300
MILLION

Production Capacity



1,000,000
METRIC TONS

Production Facilities on



47
ACRES

Exporting to Over



30
COUNTRIES

Driven by a vision to promote Industrial Development in Pakistan

Global Outreach:

With unwavering dedication to delivering quality, reliability, and sustainability, ISL has gained prominence not only within Pakistan but across international borders. The company exports its precision-engineered flat steels to more than thirty (30) countries, proudly serving clients on six continents. ISL's contributions to the global steel industry have not only strengthened Pakistan's position but have also resulted in substantial foreign exchange savings for the country, owing to the reduction in flat steel imports.



A Driving Force for Industrial Growth:

ISL has played a pivotal role in fostering the large-scale industrial manufacturing sector of Pakistan. The company's premium flat steel serves as a crucial input for various upstream and downstream industries, driving economic growth and empowering businesses nationwide. Through constant expansion and innovation, ISL has become a beacon of industrial excellence, setting new benchmarks for the steel manufacturing industry in the region.



Sustainability and Social Responsibility:

As a responsible corporate citizen, ISL recognizes the importance of sustainable operations and maintaining strong relationships with all stakeholders. Embracing a Clean, Lean, and Green approach, the company strives to minimize its carbon footprint, optimize resource utilization, and promote eco-friendly practices, including recycling and reusing resources. By doing so, ISL takes concrete steps towards preserving the environment for future generations.

Beyond its industrial endeavors, ISL is committed to making a positive impact on society. Through various social initiatives, the company actively promotes the well-being and welfare of communities, especially those facing significant challenges. ISL consistently supports healthcare and educational initiatives throughout the country, making a meaningful difference in the lives of countless individuals.

International Steels Limited (ISL) has emerged as a trailblazer in the Flat Steel manufacturing sector of Pakistan. With a relentless pursuit of excellence, adherence to global standards, and a strong commitment to sustainability and social responsibility, ISL has become a beacon of progress and development. As we look towards the future, ISL remains dedicated to empowering industries, enriching lives, and creating a lasting legacy of growth and prosperity.



Production Capabilities

At ISL, sustainable technology and manufacturing best practices are deployed to deliver quality, reliability, and sustenance to thousands of small and large-sized businesses across Pakistan and abroad. ISL holds a strong nationwide supplier network that is served through regional offices in Lahore, Islamabad, and Multan.

With a current production capacity of 1,000,000 Metric Tons, ISL produces flat steels for numerous industrial and commercial applications. These high-precision steels are also exported to more than thirty (30) countries, to serve several quality-seeking clients in six continents.

Envisioned to provide value-added services to the customers, ISL has also established a Service Center in Karachi, for the processing and finishing of flat steel, in the most readily consumable forms.



1,000,000
METRIC TONS

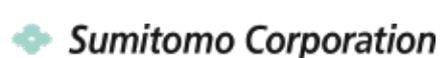


462,000
METRIC TONS



84,000
METRIC TONS

Original Equity Contributors



Company Information

Company Information

Chairman (Non-Executive)

Mr. Kamal A. Chinoy

Independent Directors

Dr. Amjad Waheed
Ms. Nausheen Ahmad
Mr. Nihal Cassim

Non-Executive Directors

Mr. Haroun Rashid
Mr. Mustapha A. Chinoy
Mr. Shuji Tsubota

Director and Chief Operating Officer

Mr. Samir M. Chinoy

Chief Executive Officer

Mr. Yousuf H. Mirza

Chief Financial Officer

Mr. Mujtaba Hussain

Company Secretary & Head of Legal Affairs

Ms. Schaane Ansari

Chief Internal Auditor

Syed Zaib Zaman Shah

External Auditors

A. F. Ferguson & Co., Chartered Accountants

Legal Advisor(s)

Mrs. Sana Shaikh Fikree

Investor Relations Contact

Shares Registrar
THK Associates (Pvt.) Ltd
Plot No. 32-C, Jami Commercial Street 2
D.H.A., Phase VII, Karachi - 75500.
Phone: +92 21-111-000-322, +92 21-37120628-29
Email: sfc@thk.com.pk

Registered Office

101, Beaumont Plaza, 10, Beaumont Road, Karachi – 75530.
Telephone Numbers : +9221-35680045-54
UAN : +92 21-111-019-019, Fax : 021-35680373
E-mail : investors@isl.com.pk

Lahore Office

Chinoy House, 6 Bank Square, Lahore - 54000.
Telephone Nos: +92 42-37229752-55,
UAN: +92 42-111-019-019
E-mail: lahore@isl.com.pk

Islamabad Office

Office No.303-A, 3rd Floor, Evacuee Trust Complex,
Sector F-5/1, Agha Khan Road, Islamabad.
Telephone Nos: +92 51-28230412-3

Multan Office

Office No. 708-A, "The United Mall", Plot No. 74,
Abdali Road, Multan.
Telephone Nos: +92 61-4570571

Factory

399 - 405, Rehri Road, Landhi, Karachi.
Telephone Nos: +92 21-35013104 - 5 Fax : 021-35013108
E-mail: info@isl.com.pk

Service Center

Plot# LE-73-79, 102-103, 112-118, 125-129
Survey # Nc.98, Near Arabian Country Club,
National Industrial Park, Bin Qasim, Karachi.
Telephone Nos: +92 21-34724184

Website

www.isl.com.pk

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

About the Group



Amir S. Chinoy Group



The Amir S. Chinoy Group (ASC Group) has been at the forefront of Pakistan's industrial development since the founding of the country 75 years ago. Our founder, Mr. Amir S. Chinoy, a pioneer of industrialization in Pakistan, laid the foundation of the ASC Group by setting up manufacturing concerns in heavy chemicals (Pak Chemicals Ltd, 1951), steel, and galvanized pipes (International Industries Limited, 1948) and electrical wires and cables (Pakistan Cables Limited, 1953). His commercial interests also extended to trading, electrical contracting, and the representation of major European and international companies in South Asia. As flag bearers of determination and innovation, the group later invested in a green field project for the manufacture of Cold Rolled, Galvanized and Colour Coated steel coils and sheet (International Steels Limited, 2007).

Today, the ASC Group is one of the leading industrial groups in Pakistan with proven expertise in manufacturing, trading, and industrial services. The Group companies enjoy a credible export pedigree with combined export revenues in excess of Rs. 18 billion. The ASC Group growing global footprint is further represented by an on-ground presence in Australia and Canada through its wholly owned subsidiaries IIL Australia Pty. Ltd. and IIL Americas Inc. which collectively contribute Rs. 8 billion in export revenues.

In Pakistan, the ASC Group has an extensive distribution network through 1600+ outlets in over 500 cities and towns across the country.

The broad range of products manufactured by the Group companies includes:

- Cold Rolled Steel
- Galvanized Steel
- Colour Coated Steel
- Steel Pipes (CR, HR, Galvanized, Stainless Steel)
- Polymer Pipes (UPVC, PPRC, PE)
- Hollow Structural Sections (Steel)
- Scaffolding Systems and Formwork
- Electric Wires & Cables (LV & MV)
- Electric Overhead Conductors of Aluminium & Copper
- Special Cables
- PVC Compound
- Copper Rod
- Wiring Accessories
- Extruded Aluminium Sections for Architectural Applications



ASC Group Participated in IAPEX 2022, Karachi.



Group Companies' Leadership Team at the MAP Annual Convention 2022.



ASC Group companies have attached international equity partners of repute, which have further enriched technical expertise and best practices across its companies. Leading equity partners, the ASC Group has been associated with include:

- British Insulated Callender’s Cable (BICC), UK
- Doogood Australia, Australia
- General Cables, USA
- JFE Steel Corporation, Japan
- MEVA Formwork Systems, Germany
- Sumitomo Corporation, Japan
- International Finance Corporation (IFC), USA



ASC Group Cricket Team at the 12th edition Super Challenger Premier League.



9th Amir Sultan Chinoy Memorial Cricket Tournament 2022 held in Karachi.

Group Highlights



125

PKR in Billion
Sales Turnover



31.4

PKR in Billion
Market Capitalisation



26

PKR in Billion
Contribution to
National Exchequer



18

PKR in Billion
Export Sales



380,361

(Metric Tons)
Total Metals Produced



70

Years of
Production



2,513

Number of
Employees



60

Number of
Export Destinations
(including USA,
Canada, Europe)



1,600

Number of
Dealers/Distributors



500

Geographical Footprint
in Pakistan
(Cities & Towns)

*As on FY ending 30th June 2023



One Group. Three Wins.

Winners of Pakistan Stock Exchange Top 25 Best Companies Award 2021

The ASC Group member companies, which include International Industries Ltd., Pakistan Cables Ltd. and International Steels Ltd., have been recognized by the Pakistan Stock Exchange (PSX) for their commendable performance and business practices.



Promising Reliability, For Now and Tomorrow



TRUSTED NOT TO COMPROMISE



Shaping Tomorrow



Group Portfolio





Promising Reliability, For Now and Tomorrow



Shaping Tomorrow



TRUSTED NOT TO COMPROMISE

Incorporated in 1948
Listed on PSX since 1984
Credit Rating AA/A-1

PRODUCTS

Steel Tubes and Pipes
Polymer Pipes and Fittings
Stainless Steel Tubes

2023 TURNOVER
26 BILLION



Incorporated in 2007
Listed on PSX since 2011
Credit Rating A+ /A-1

PRODUCTS

Cold Rolled Steel
Hot Dip Galvanized Steel
Color Coated Steel

2023 TURNOVER
77 BILLION



Incorporated in 1953
Listed on PSX since 1955
Credit Rating A/A-1

PRODUCTS

Wires, Cables and Copper Rod
Aluminium Profiles
PVC Compound

2023 TURNOVER
22 BILLION



125 BILLION
GROUP TURNOVER

Journey and Milestones

2007

- Incorporated in September.
- Installation of 19 Mega Watt Power Generation Plant.

2008-2009

Civil works and plant installation in process.

2010

Cold Rolling and Galvanizing complex is commissioned.

2011

Commercial operations of Cold Rolling and Galvanizing complex commence:

- **Installed capacity 250,000 MT**
- **ISL gets listed on Pakistan Stock Exchange.**
- **Certifications acquired:**
ISO 9001 (Quality Management System)
ISO 14001 (Environmental Management)
ISO 18001 (Occupational Health and Safety Management Systems)

2012

Commercial operations of Cold Rolling and Galvanizing Complex commence with an installed capacity of 250,000 MT.

2013

- Production exceeds 166,000 MT.
- Sales exceed 161,000 MT.
- Net turnover exceeds PKR 13 Billion.

2014

- Production exceeds 220,000 MT.
- Sales exceed 217,000 MT.
- Net turnover exceeds PKR 17 Billion.

2015

- Production exceeds 280,000 MT.
- Sales exceed 257,000 MT.
- Net turnover exceeds PKR 21 Billion.

2016

Galvanizing Plant-II is commissioned and starts commercial production:

- Galvanizing capacity increases to 450,000 MT from 150,000 MT.
- Pakistan's first Color Coating line is established at ISL with the capacity 84,000 MT.
- A new electrolysis plant is installed to produce Hydrogen.
- A Second strand on the 4-Hi Reversing Mill is commissioned, converting it into a Continuous Compact Mill "CCM".
- Production exceeds 238,000 MT.
- Sales volume exceeds 239,000 MT.
- Net turnover exceeds PKR 17.5 Billion.

2017

- Commercial production of the enhanced 4-Hi Continuous Compact Mill commences.
- Cold Rolled capacity increases to 500,000 MT from 250,000 MT.
- Production exceeds 370,000 MT.
- Sales volume exceeds 364,000 MT.
- Net turnover exceeds PKR 20 Billion.

2018

- Debottlenecking of Push Pull Pickling Line.
- Pickling capacity enhances to 600,000 MT from 500,000 MT.
- Successful commissioning of additional annealing capacity.
- Annealing capacity enhances to 200,000 MT from 160,000 MT.
- Second Continuous Compact Mill "CCM-2" is commissioned.
- SNI certification of Indonesia is acquired.
- Production exceeds 465,000 MT.
- Sales volume exceeds 490,000 MT.
- Net turnover exceeds PKR 33 Billion.

2019

Continuous Compact Mill "CCM-2" commences commercial production:

- Cold Rolling capacity increases to 1,000,000 MT from 500,000 MT.
Annealing capacity is enhanced:
- Annealing capacity increases to 360,000 MT from 300,000 MT.
- A New continuous picking line is commissioned and starts commercial production:
- Capacity of new continuous picking line becomes 1,000,000 MT.
- Production exceeds 470,000 MT.
- Sales volume exceeds 539,000 MT.
- Sales value exceeds PKR 47 Billion.
- ISL wins Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Export Award 2017 in the steel category.
- Pakistan Stock Exchange's status at Morgan Stanley Composite Index (MSCI) is upgraded to "Emerging Market" and ISL is listed in it.
- ISL wins Management Association of Pakistan (MAP) Corporate Excellence Award 2019.
- JCR-VIS credit rating company awards ISL, the credit rating of "A+/A-1".

2020

- ISL Service Center commences operations. The state-of-the-art service center is envisioned to provide value-added services to the customers.
- ISL bags 1st award at the "7th Employer of the year award" in the Medium National Category.
- ISL received 43rd FPCCI Best Export Performance Awards 2018-19.
- International Steels Limited (ISL) wins the prestigious Top 25 Performing Companies award by the Pakistan Stock exchange.
- ISL wins Management Association of Pakistan (MAP) Corporate Excellence Award 2020 for the second consecutive year.

2021

- ISL receives "Employers Federation of Pakistan's (EFP) Exporters Recognition Award", being acknowledged among the Top 45 largest exporters of Pakistan.
- ISL wins the "8th Employer of the Year Award" for the year 2019-2020.
- ISL wins three CSR Awards at the NFEH's (National Forum for Environment and Health) 13th Corporate Social Responsibility Summit 2021 in the categories of: Education and Scholarships, Community Development and Services Waste Management, and Recycling.
- ISL secures 2nd position in the Asian Management Games 2021.
- ISL received 44th FPCCI Best Export Performance Awards 2019-20.

2022

- Electrolytic Cleaning Line is commissioned at ISL. This new addition improves the surface quality of our products specifically for the automotive and appliances sectors by cleaning the remaining rolling emulsion and iron fines.
- ISL was one of the sponsors of the Pakistan Pavilion at the internationally acclaimed, Dubai Expo 2021, hosted by Dubai, in the United Arab Emirates, from October 2021 to March 2022.
- ISL sponsored TEDx IBA powered by AIESEC in October 2021.
- ISL participated in the 2nd Pakistan, Africa Trade Development Conference, Nigeria facilitated by TDAP.
- For the second time, ISL won three awards in the categories of Education and Scholarship, Community Development, Sports and Recreational Activities, at the 14th CSR Awards organized by the National Forum for Environment and Health (NFEH) in March 2022.
- In March 2022, ISL participated in the Management Association of Pakistan's 22nd MAP Convention, under the banner of ASC Group.
- In June 2022, International Steels Limited participated in Project Qatar in Doha, meeting potential partners from across Qatar and from other countries.
- ISL exhibited in HVACR Expo, Lahore, in June 2022, which is the largest dedicated HVACR trade exhibition in Pakistan. In the same month, the company participated in IAPEX Building Materials Exhibition at Expo Center, Karachi. This expo attract and target architects, builders and contractors, from all over Pakistan.
- ISL secures 3rd position in the Asian Management Games 2022.

Highlights 2022-2023

July to September

Q1

- ISL participated in IAPEX Building Materials Exhibition and Conference at Expo Center, Karachi, along with other ASC group companies,
- ISL held the first chapter of Art from the Heart - Children's Art Competition 2022, for the young artists of age 5-13 years.
- ISL participated in the largest exhibition of automobiles in the country - The Pakistan Auto Show 2022 in July, 2022, at the Expo Centre Lahore, organized by Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM), representing over 3000 large, medium and small industries from all over Pakistan.
- ISL was listed in Traded Development Authority of Pakistan (TDAP) Top 50 exporters, second year in a row.
- ISL Annual Sales Conference 2022 took place in Muzaffarabad, Pakistan from August 03 to 06, 2022. ISL Management, Regional and Export Sales and Marketing Teams participated and exchanged business related information, ideas, viewpoints and challenges.
- The Senate Standing Committee on Industries and Production paid a visit to the ISL Service Center in Bin Qasim Industrial Park.
- ISL won Pakistan Stock Exchange (PSX) "Pakistan's Top 25 Companies Award".
- ISL received "Export Performance Award" for the FY 2020-21, at FPCCI's 45th Export Awards, at Aiwan-e-Sadar, Islamabad.

October to December

Q2

- In October, ISL won the "Corporate Excellence Award" in the "Engineering Category" for the fourth year in a row, in the 37th year of the Corporate Excellence Awards organized by the Management Association of Pakistan (MAP).
- On the same day, team ISL received shields for securing the position of 2nd runnerup in the Asian Management Games, organized by the Asian Association of Management Organizations (AAMO). ISL participated in this global competition for the second time.
- ISL launched its first Newsletter - ISL Insider in October 2022.
- ISL won 1st position in the Medium National Category at the "9th Employer of the Year Awards" for the year 2021. The event was organized by Employers' Federation of Pakistan, in Karachi.
- International Steels Limited and its partner Cargill joined hands with the Amir S. Chinoy Foundation and Rizq to support Dawn Relief's efforts in rebuilding over 90 homes in villages devastated by the floods in Bajara, Sindh.
- ISL participated in The BIG 5 - International Building & Construction Show, in December, at the Dubai World Trade Centre, UAE. It is the largest and most influential event for the construction industry in the Middle East, with over 2,000 exhibitors from over 60 countries.

January to March

Q3

- ISL Marketing and Sales Departments collaborated and organized a fourth and fifth Fabricators' Conferences in Karachi and Faisalabad, in January and February 2023.
- ISL sponsored CAP Carnival 2023 in February and under the theme of "ISL Plant for the Planet", educated and distributed 500+ native species of Moringa Tree growing kits to families, containing 3,000+ seeds, planters, care guides, and potting medium.
- ISL won three CSR awards at the NFEH's 15th Corporate Social Responsibility Summit - 2023, in the categories of Community Development and Services, Education and Scholarship, and Rehabilitation, for the third consecutive year.
- ASC Group Companies, joined together to celebrate International Women's Day 2023 with great enthusiasm on March 8th. The event was centered around the global theme of "Embrace Equity", highlighting the importance of creating a diverse and inclusive workplace.
- In March, Amir S. Chinoy Group won the Super Challengers Premier League - Edition II.

April to June

Q4

- International Steels Limited participated and exhibited at the Project Qatar - A leading business exhibition that focuses on the construction and related industries at Doha Exhibition & Convention Center (DECC) from 29th May to 1st June 2023.
- ISL participated in the Pakistan HVACR Expo, held at Expo Centre Karachi from June 8th to June 10th, 2023. Pakistan HVACR International Expo & Conference is the most established International Exhibition on Heating, Ventilation, Air-Conditioning & Refrigeration in the region, it is the only focused HVACR trade show in Pakistan.
- ISL launched new corporate videos of its manufacturing facility and ISL Service Center, showcasing the cutting-edge technology, services and culture of the Company.



Vision, Mission and Core Values



Vision

To be the premium manufacturer of Flat Steel Products in Pakistan.

Mission

To establish our presence in the steel industry by providing superior quality products and reliable services, catering to the customers' needs, at competitive prices, while delivering value and fostering close partnerships.

We take pride in providing an environment that cultivates teamwork and leadership capabilities to manage our company as a model corporate citizen, complying with the highest standards of business ethics.

Core Values

We share a core set of values which incorporate:

Integrity

We are committed to maintain highest ethical standards and ensure a culture of trust and openness internally as well as externally.

Diversity

We are an equal opportunity employer with zero bias against gender, race, ethnicity and religion and encourage openness, expression of opinions etc.

Respect for People

We are committed to foster a culture where people come first and we hire, develop and retain our people to work as synergized teams in line with our mission and vision.

Fairness

We are committed to implement such policies and procedures which translate into fair and equitable treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.

Responsibility

We consider quality of life, health, safety, wellbeing, social uplift and environment as integral parts of our corporate culture and responsibility.

Strategic Objectives



We are committed to continually enhance the effectiveness of our quality, environment, occupational health and safety management systems.

We aim at creating fair value for the stakeholders in these areas :



Creating Shared Value

We are committed to continually enhance the effectiveness of our quality, environment, occupational health and safety management systems. We aim at creating fair value for the stakeholders through team work, continual improvement in technology, waste reduction, protection of environment, care for health, safety of people and equipment and improvement in safety practices.



Investing in Human Capital

The company attributes its success to its human capital and its quality. It strives to attract, develop and retain the best talent available, providing career growth opportunities through a system of skill development, motivation and rewards. Aspiring to be an “Employer of Choice”, we are committed to providing a safe, collaborative and high performance workplace to our employees.



Investing in Technology

ISL aims to become a technology driven company, one that fulfils its commitment to its customers by effectively anticipating customers’ requirements. The company strives to exceed expectations by utilizing and continuously enhancing its technical capabilities and service levels.



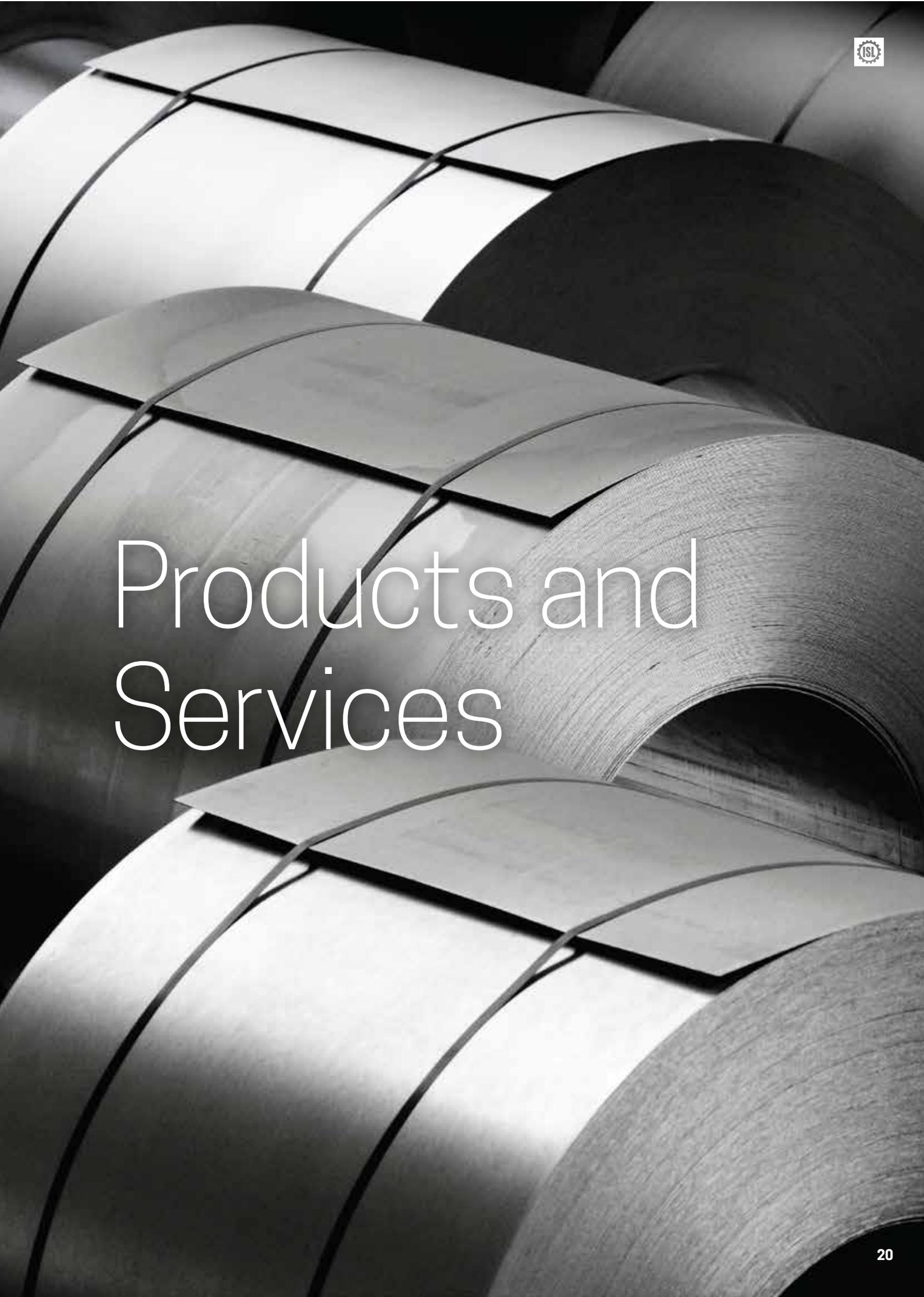
Reducing Waste

The company makes considerable efforts to reducing waste, thereby promoting efficient utilization of resources and lowering waste levels, ultimately promoting efficiency throughout the value chain.



Ensuring Sustainability

ISL regards sustainability of its operations as a key responsibility towards its stakeholders. ISL remains committed towards its causes of waste reduction, protection of environment, ensuring wellbeing, safety and welfare of people and incessant technological advancement.

A black and white photograph showing several large, stacked coils of metal. The coils are arranged in a perspective that recedes into the distance, creating a sense of depth. The lighting highlights the metallic texture and the curved surfaces of the coils.

Products and Services

Products and Services

Fully compliant with the international standards of steelmaking, ISL's Cold Rolled, Hot Dip Galvanized and Color Coated Steels are manufactured on state-of-the-art world-renowned equipment, and are available in full width, slitted and cut-to-length forms as per customer requirements.



Cold Rolled Steel

Manufactured as per the ASTM A1008, JIS G3141 and equivalent standards

ISL's CRC is offered in a range of product specifications, ranging from drawable, deep drawable, to commercial grades, and surface finishes from bright to dull, to meet commercial or industrial needs of customers. ISL's Cold Rolling Mill is a modern, advanced facility designed and supplied by SMS Siemag, Germany. With strict quality control processes and advanced technology, our product provides outstanding finish and workability, highly valued by customers in the automobile, home appliances, furniture, drum, tube, filter, tin plate and various other industrial segments.

Properties:

- Annealed, skin passed
- Oiled / uncoiled
- Bright or dull finish
- Tension levelled

Thickness Tolerance:

1/2 of ASTM A568 and 1/2 of JIS G3141

Applications:



Automotive components, tubes and sections, domestic appliances, electrical goods, oil filters, hardware, packaging drums, furniture and fixtures, gates, etc.



Hot Dip Galvanized Steel

Manufactured as per the ASTM A653, JIS G3302 and equivalent standards

Galvanization is the process of applying a protective zinc coating to steel, to prevent rust and corrosion. ISL's Hot Dipped Galvanized Steel is produced on a state-of-the-art, fully automated galvanizing complex. Our manufacturing facility, a dynamic production team, and adherence to strict quality control measures, paired with best available raw materials and processes, are applied under controlled conditions to produce premium quality zinc-coated steel.

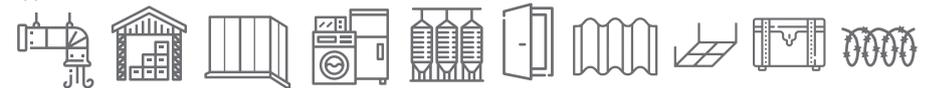
Properties:

- Regular / suppressed spangle
- Chromated and dried
- Skin passed / Non skin passed

Thickness Tolerance:

1/2 of ASTM A924 and 1/2 of JIS G3302

Applications:



HVACR and ducting, industrial and agricultural warehouses and sheds, domestic appliances, silos, door frames, roofing sheets, trunks and storage boxes, cable trays, razor wire, etc.



Color Coated Steel

Manufactured as per the ASTM A755, JIS G3312 and equivalent standards

With a coating capability of 84,000 MT, ISL's Color Coating Line allows us to produce high-quality color coated sheets on various substrates like Cold Rolled, Galvanized, Galvalume, Aluminium, and Stainless-Steel sheets, in a broad range of colors. ISL's high manufacturing standards ensure uniform coating with excellent durability and stain resistance. Color Coated Steel is light weight, possesses good anti-corrosion properties, and can be directly processed and utilized in several indoor and outdoor applications. Polyester (PE) and Polyvinylidene Difluoride (PVDF) paint mediums are used to coat galvanized and other substrates.

Properties:

- Heat cured on GI substrate
- Single / double side painted
- Finish coat (Polyester / PVDF)

Thickness Tolerance:

1/2 of ASTM A924 and 1/2 of JIS G3312

Applications:



Temperature-controlled vehicles, industrial and agricultural warehouses, sheds (roofing and cladding), appliances, furniture and fixtures, false ceilings, trunks, storage boxes, etc.

ISL Service Center



ISL Service Center

ISL Service Center shapes flat rolled steel into various forms for a wide range of industrial and commercial applications, ranging from profiles that form exceptionally durable structures, to custom-cut sheets and slitted coils that serve as ready-to-use input for various purposes.

Slitting



Thickness Range	0.0059 in / 0.15 mm - 0.098 in / 2.50 mm
Width Range	0.98 in / 25 mm - 49.21 in / 1,250 mm
Coil ID	20 in / 508 mm
Width Tolerance	+/- 0.0118 in / 0.2997 mm

Cut-to-length



Thickness Range	0.0059 in / 0.15 mm - 0.098 in / 2.50 mm
Width Range	15.74 in / 400 mm - 49.21 in / 1,250 mm
Length of Sheet	14.56 in / 370 mm - 157.48 in / 4,000 mm
Length Tolerance	+ 0.078 in / +2 mm

C Channels for LGSS* / Wall Partitions



Input Material	Hot Dip Galvanized Steel
Thickness Range	0.75 - 1.50 mm
Grades	Commercial Quality / Structural Steel
Zinc Coating	11 - 38.5 microns
Web (W) Size	89 mm
Flange (F) Size	39 mm
Lip (L) Size	10 mm

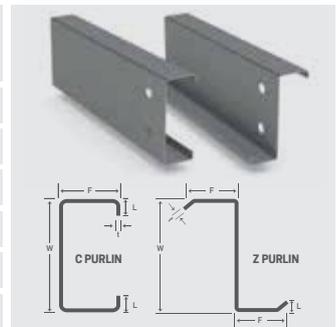


*Light Gauge Steel Structures

C and Z Purlins



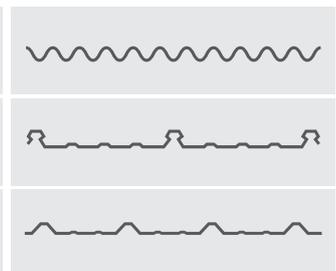
Input Material	Hot Rolled Steel, Cold Rolled Steel, Hot Dip Galvanized Steel
Thickness Range	1.20 - 3.00 mm
Grades	Commercial Quality / Structural Steel
Zinc Coating	11 - 38.5 microns
Web (W) Size	150 - 450 mm
Flange (F) Size	40 - 100 mm
Lip (L) Size	12 - 30 mm



Profiling



Sinusoidal	0.0118 in / 0.30 mm - 0.0236 in / 0.60 mm
Clip Lock	0.0157 in / 0.40 mm - 0.0236 in / 0.60 mm
Screw Down	0.0118 in / 0.30 mm - 0.0275 in / 0.70 mm

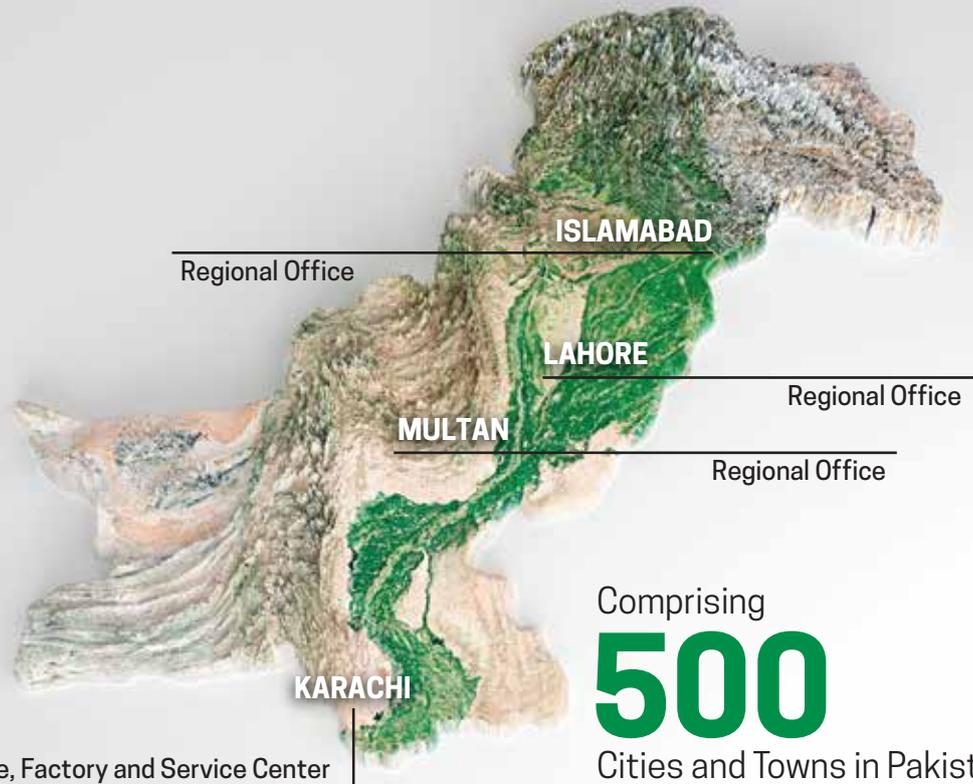


Our flat steel products are easy, fast to erect, sturdy and lightweight. They are manufactured to suit almost any floor plan or construction style. Consistent quality and precision provide customers with assurance of strong, versatile, functional, and attractive designs that are engineered for life.

Applications:

- Industrial Projects
- Agricultural Projects
- Hall and Warehouse Construction
- Modular Structures
- Commercial Buildings
- Renovation, Extensions and Refurbishments

Regional Network



Geographical Presence





Inbuilt Excellence for tomorrow and beyond

Being Pakistan's premier manufacturer and exporter of flat steel, our commitment is to set high benchmarks for operational excellence, value generation, corporate responsibility, and ethical practices within the industry.

Our unwavering dedication to integrated operations underscores our mission to elevate Pakistan's self-reliance in top-tier flat steel. This vision also propels us to continuously invest into both our workforce and technological advancements, keeping an unmatched dedication to innovation and cutting-edge solutions.

To date, ISL's investment of over **US\$ 300 million** stands as a testament to our dedication to a cutting-edge manufacturing facility, designed to yield premium flat steel commodities within Pakistan. Commencing with an initial capacity of **250,000 MT**, ISL has expanded into a **1,000,000 MT** flat steel complex, producing a diverse range of steel products, tailored to meet the exacting needs of numerous industrial and commercial sectors.

To provide value to its customers, ISL has also established a service center, which enables it to supply steel in a readily deployable form. In collaboration with our valued stakeholders, we are erecting a sustainable enterprise poised to endure the trials of time with resilience and grace.



Health and Safety Statistics

Health and Safety Statistics*



1.39 Million

Safe Man Hours



0.57

Total Recordable Incident Rate (TRIR)



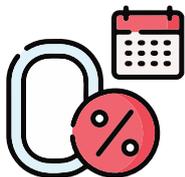
2,089

HSE Training Hours



02

Minor Fire Cases



ZERO

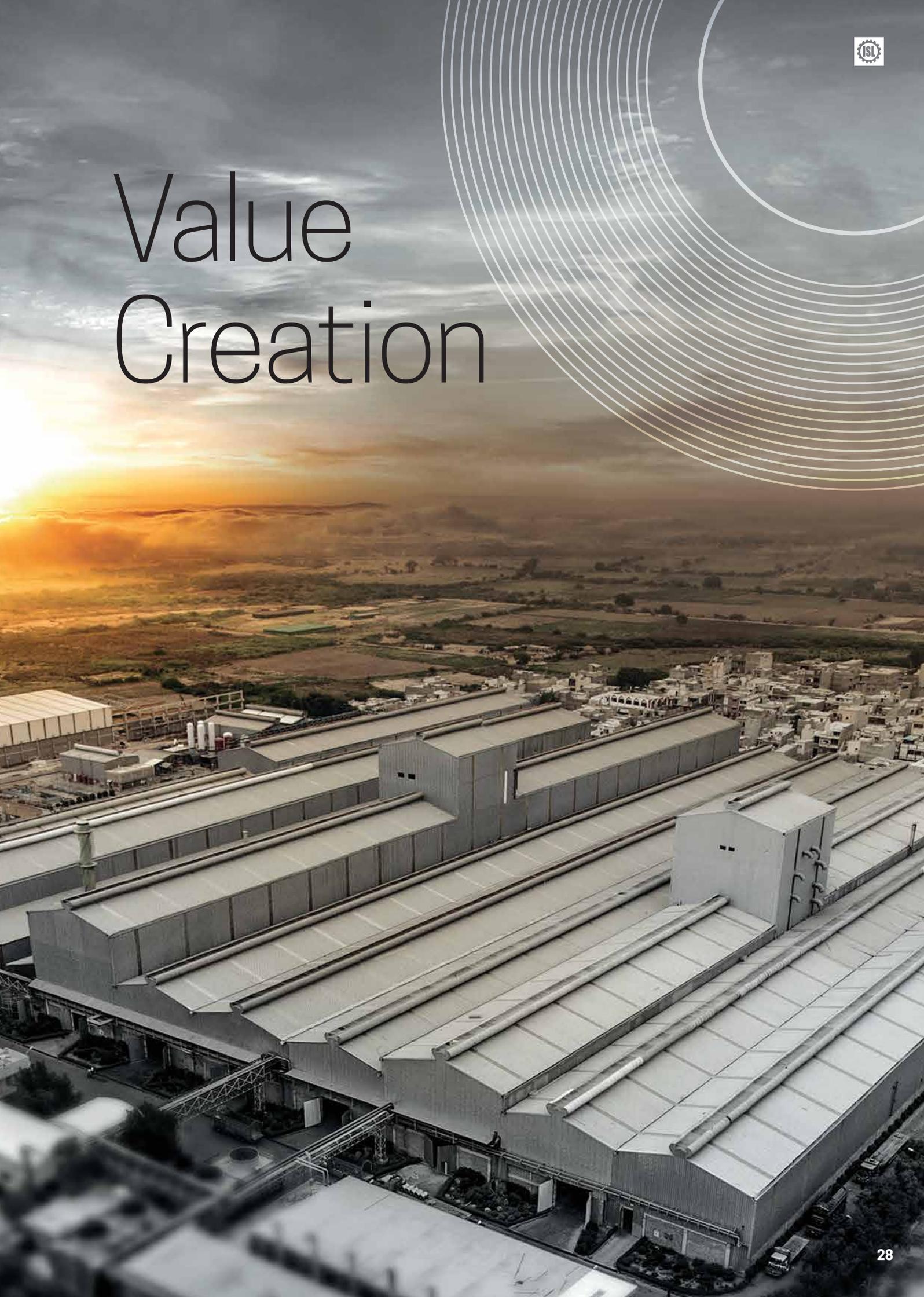
Lost Time Injury (LTI)



01 year completed

Without a Lost Time Injury

Value Creation



Value Creation

2011-2023

CONTRIBUTION TO GOVERNMENT



Over

PKR 113 Billion

Contributed to the national exchequer

SUBSTITUTING IMPORTS



Saving

\$386 Million

Worth of foreign exchange outflow through localization

EXPORT VALUE



Earned

\$496 Million

Worth of foreign exchange by exporting flat steel

GLOBAL FOOTPRINT



Exporting to over

30 Countries

Worldwide, supplying cold rolled and coated steels

LEADING EXPORTER



Listed among

Top 25

Exporters of Pakistan by Pakistan Stock Exchange (PSX)

ENVIRONMENTAL RESPONSIBILITY



Practicing

Clean, Lean & Green

Manufacturing approach and sustainable practices

CSR CONTRIBUTION



Allocating

1.5 % Profit

(After Tax) Annually for social and community uplift

RECOGNITION IN CSR CONTRIBUTION



Third consecutive year of winning

3 CSR Awards

At the NFEH's 15th Corporate Social Responsibility Summit - 2023

EMPLOYER OF CHOICE



Medium National Category

1st Position

Winner at "9th Employer of the Year Awards" by Employers' Federation of Pakistan

SKILL DEVELOPMENT



Imparted

32,180 Man Hours

To train and develop human resources at ISL Factory and offices

CREDIT RATING



Maintaining

A+/A-1 Rating

By VIS Credit Rating Company Limited

Code of Conduct

Code of Conduct

The Code of Conduct is equally applicable to the Board of Directors as well as all the employees of the Company. The Salient features of the Code of Conduct are as follows:

A. BUSINESS ETHICS

- (i) The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings, showing respect for the interest of all stakeholders including its shareholders, employees, customers, suppliers and society at large.
- (ii) The Company is dedicated to providing a safe and non-discriminatory working environment for all employees.
- (iii) The Company does not support any political party or contributes funds to groups whose activities promote political interests.
- (iv) The Company is committed to provide products which consistently offer value in terms of price and quality and are safe for their intended use, to satisfy customer needs and expectations.
- (v) The Board of Directors and the management are both committed to ensuring that the Company is a responsible corporate citizen and that business shall be carried out in a sustainable manner.
- (vi) Operations shall be carried out with minimum adverse effect on the environment and producing quality products in a healthy and safe working environment.
- (vii) We, as a responsible corporate citizen, shall play our part in the betterment of society in health and education sectors as a part of our Corporate Social Responsibility.

B. CONFLICTS OF INTEREST

- (i) Every employee should conduct his or her personal and business affairs in a manner such that neither a conflict, nor the appearance of a conflict, arises between those interests and the interests of the Company.
- (ii) An employee should avoid any situation in which he or she, or a family member, might profit personally (either directly or indirectly) from the Company's facilities, its products, or relationships with its vendors or customers.
- (iii) An employee should not permit himself / herself (or members of his/her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways and attendance at conferences and seminars would not be considered a violation of this Code.
- (iv) In case an employee is offered or receives something of value which he/she believes may be questionable under this Code, he/she should disclose the matter.
- (v) All employees shall avoid any kind of bribery, extortion and all other forms of corruption.



- (vi) Conflicts of interest shall be avoided and promptly disclosed where they exist and guidance should be sought from supervisors.

C. ACCOUNTING RECORDS, CONTROLS AND STATEMENTS

- (i) All books, records, accounts and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations and should be maintained accurately.
- (ii) Employees are expected to sign only documents or records which they believe to be accurate and truthful.

D. ENVIRONMENT

- (i) The Company is committed to carry its business in an environmentally sound and sustainable manner and promote preservation and sustainability of the environment.
- (ii) All employees are required to adhere strictly to all applicable environmental laws and regulations that impact the Company's operations.

E. REGULATORY COMPLIANCE

- (i) The Company is committed to make prompt public disclosure of 'material information' regarding the company as prescribed by the Pakistan Stock Exchange Regulations, if required.
- (ii) Where an employee is privy to the information which is generally referred to as 'material inside information', the same must be held in strict confidence by the employee involved until it is publicly released.
- (iii) The Employees shall abide by the appropriate competition laws and shall not enter into understandings, arrangements or agreements with competitors which have the effect of fixing or controlling prices, dividing and allocating markets or territories or boycotting suppliers or customers.

F. PERSONAL CONDUCT

- (i) All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on company business.
- (ii) Employees shall be careful while dealing with personal or business associates and not disclose, divulge or provide any information regarding the Company to anyone except where the same is used as a part of his/her official obligations and as required for official purpose and shall abide by the Closed Period announced by the Company from time to time and also sign a Non-Disclosure Agreement if the need arises.
- (iii) All Employees should avoid any kind of bribery, extortion and all other forms of corruption.



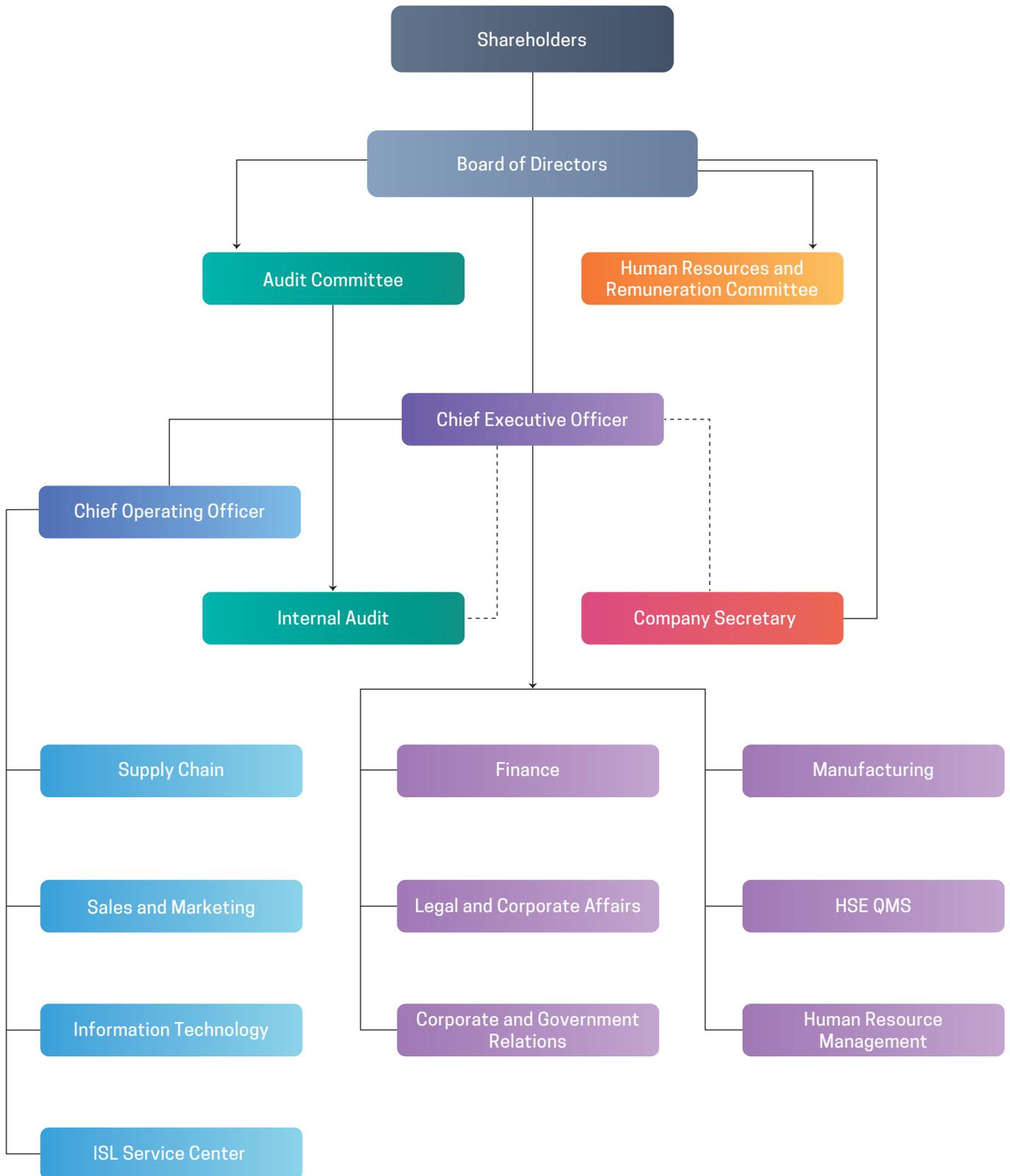
- (iv) Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.
- (v) Any legally prohibited or controlled substances, if found in the possession of any employee, will be confiscated and, where appropriate, turned over to the authorities.
- (vi) Employees must ensure no instances of personal deliveries using the Company's resources, tax number and/or business name.

G. MISCELLANEOUS

- (i) All Employees are required to comply with this Code of Conduct and are personally responsible for doing so. Employees must comply with any rules set out in this Code of Conduct. Breach of any principles within the code may result in disciplinary action and a serious breach – such as if any employee is found to be in wanton abuse of the Code and their action can cause reputational risk or damage or financial loss to the Company, may amount to gross misconduct, which may result in dismissal. Further, the Company reserves the right to seek redress and damages from such individuals.
- (ii) Employees at all levels will be required to certify annually that they understand the Code and that they are in full compliance with this code. The Board monitors the findings of this certification on an annual basis.
- (iii) The Company has in place a confidential 'Whistleblowing Policy' as a mechanism and process to encourage the reporting of any non-compliance with the Code of Conduct.
- (iv) You agree that all right, title and interest in and to all work product resulting during the course of your employment with the Company, whether created, generated or produced by you or others or under your supervision, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, know-how and all intellectual property, including but not limited to patent, copyright, trade secrets and other related rights, belong to the Company exclusively and shall be the exclusive property of the Company and may be used by the Company at any time without any obligation to pay you any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company by operation of law or otherwise, you hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company without any obligation on the part of the Company to pay you any compensation whatsoever, and you shall not use the same for any purpose other than for the benefit of the Company nor will you pass it on to any other person or institution other than to those approved by the Board and you will not take the same with you when you cease to be an employee of the Company for any reason whatsoever (and shall return such work product to the Company), and you shall take all steps and shall execute all such documents as may be necessary or reasonably required by the Company, at the expense of the Company, to procure and ensure that the Company obtains and retains complete and exclusive legal title to any such invention or improvement, and you shall assist the Company in obtaining, securing, enforcing and retaining the abovementioned intellectual property rights as is needed by the Company.



Organizational Chart



Mechanism for Providing Information

Formal Reporting Line

The current organizational structure of the Company consists of various departments/divisions, each of which is led by a divisional/department head.

Employees

Employees are encouraged to express their views and suggestions through open channels of communication. We follow an open-door policy and employees are free to send emails, phone, or even talk directly to the CEO. The employees can give suggestions for process/policy improvement, can freely raise grievances and concerns about matters related to the Company. In case the matter is of significant nature, the same is addressed in the meetings of the Management Committee, the Board of Directors, or the relevant Board Committee.

Townhall meetings are conducted regularly during which the CEO shares information about the Company's results, plans and strategic directions with employees. Employees are encouraged and accorded an opportunity to actively participate, share their ideas and suggestions.

The Company also has a Whistleblowing Policy in place which provides an additional avenue to employees to report any corrupt or unethical behavior.

Shareholders

Every year the Annual General Meeting of shareholders is held in accordance with the requirements of the Companies' Act 2017, which is attended by the Board, CEO, Company Secretary, CFO and the senior management of the Company. The interactive session with the shareholders allows the shareholders to ask questions on financial, economic, social and other issues and also give suggestions and recommendations. The CEO responds to all questions.

The Company has also provided contact details of all relevant personnel for general and specific queries on its website.

Managing Conflict of Interest

As per the Code of Corporate Governance, the Company annually conducts awareness sessions and circulates the Code of Conduct amongst all employees and Directors. Further, the Directors and key employees are reminded of insider trading and to avoid dealing in shares during closed period.

Every Director is required to bring to the attention of the Board complete details regarding any transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters.

The complete details of all transactions with related parties are provided to the Board on a quarterly basis for approval. These transactions are also fully disclosed in the annual financial statements of the Company.



Empowering Industries Accelerating Progress

International Steels Limited is unwavering in its commitment to enhance Pakistan's self-reliance in the flat steel industry. Embracing the motto of "Redefining Made in Pakistan," ISL has effectively replaced a significant share of the nation's flat steel imports by localizing a crucial raw material.

To date, ISL's efforts have resulted in saving over **US\$386 million** in foreign exchange outflows, concurrently enriching the country's export portfolio.

Our aspiration to envision, innovate, and collaboratively shape an open-ended future is vividly demonstrated through our endeavors that stretch beyond the realm of steel. We eagerly embrace cutting-edge technologies to create a meaningful impact on the lives of countless individuals.

Chairman's Review

Chairman's Review

I am pleased to present the review for the year ended June 30, 2023, highlighting the Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

During this fiscal year Pakistan's economy faced complex and multifaceted challenges, most notably the commodity shock from the Ukraine war, spillover from the severe impacts of last year's floods, an uncertain political environment, and a sharp increase in headline inflation. There was significant depreciation of the currency and depletion of forex reserves by 40%. The State Bank responded by raising interest rates by 8.25%, and the Government imposed administrative restrictions on imports, increased energy prices, and elevated corporate taxes. However, these fiscal and monetary measures created severe supply chain disruptions leading to a contraction of GDP to 0.29%, and a decline of 10.2% in LSM.

Global steel prices remained uncertain during the year starting from USD 1,075 /MT and tapering off to USD 560 /MT, exerting pressure on margins. The domestic steel industry also witnessed a substantial 36% reduction in the market size on the back of eroding purchase power parity. Furthermore, misuse of sales tax exemption in FATA/PATA continues to negatively impact the local steel industry. This sales tax exemption for FATA/PATA has now been further extended till June 2024 in the Finance Act 23.

Your Company's persevered in overcoming these problems and demonstrated its strength by emphasizing working capital management, resulting in cash generation of Rs. 22.3 Billion from operations and enabling it to reduce overall borrowing by Rs. 16.8 Billion. The company achieved profit after tax of Rs. 3.5 Billion as a result of adopting the above strategy and despite the last minute imposition of Super Tax at 10% of Rs. 486 million.

In line with the Company's vision and mission, the focus of the Company's management will remain on the delivery of quality products and sound business strategy for its overall success. The Company is

fueled by confidence in its fundamental strengths, the quality of its committed workforce, the production systems and effective supply chain management.

The Board has diligently performed its duties and responsibilities and has effectively guided the Company in all its strategic affairs. The Board was essential in reviewing the management performance and focusing on significant risk areas.

The Board recognizes that well-defined governance practices are critical in strengthening corporate responsibility and is dedicated to achieving excellence in corporate governance practices to conserve and sustain stakeholders' value. All Directors, including the Independent Directors, actively contributed to the Board's decision-making processes.

As Chairman of your Company, I will continue to be responsible for leading the Board, fostering a culture of openness and constructive debate during which all views are heard, and ensuring that the Board hears from an appropriate range of senior management. I will remain firmly committed to ensuring that your Company complies with all relevant codes and regulations and that our management team continues to take decisions that will create value for you in the short, medium, and long term.

The Board carried out its annual self-evaluation in line with best practices of corporate governance and found its performance to be satisfactory. The focus remained on business opportunities, risk management, and providing oversight to the management.

The Company has an independent Internal Audit department that follows a risk-based audit methodology. Internal Audit reports are presented to the Board Audit Committee quarterly and areas for improvement are discussed and highlighted.

Your Company is continuously investing substantial resources to further improve working conditions for its employees to provide a safe, healthy, and comfortable working environment.

Chairman's Review

On behalf of the Board, I wish to acknowledge all our employee's contributions to the Company's success. I also wish to thank our shareholders, customers, suppliers, bankers, business partners, and other stakeholders for their confidence and support. The Board looks forward to next year with greater confidence in meeting the challenges ahead.



Kamal A. Chinoy

Chairman

Karachi: August 21, 2023

سربراہی تجزیہ

بورڈ نے جائشانی سے اپنے فرائض اور ذمہ داریاں نبھائی ہیں اور کمپنی کے تمام ترویجی امور میں مؤثر انداز میں رہنمائی کی ہے۔ بورڈ نے پُرخطر مسائل پر توجہ مرکوز کرتے ہوئے انتظامیہ کی کارکردگی کا جائزہ لینے میں بھی اہم کردار ادا کیا ہے۔

بورڈ یہ بات تسلیم کرتا ہے کہ بحیثیت کارپوریٹ اپنی ذمہ داری نبھانے کے لئے مضبوط قواعد و ضوابط کا نفاذ نہایت اہمیت کا حامل ہے، یہی وجہ ہے کہ ادارہ اپنے اسٹیک ہولڈرز کے سرمائے کے تحفظ اور استحکام کے لئے کارپوریٹ قواعد و ضوابط میں عمدگی حاصل کرنے کے لئے کوشاں ہے۔ بورڈ آف ڈائریکٹرز کے فیصلہ سازی کے عمل میں انڈیپنڈنٹ ڈائریکٹرز سمیت تمام ڈائریکٹرز فعال کردار ادا کرتے ہیں۔

آپ کی کمپنی کے چیئرمین کی حیثیت سے، میں بورڈ کی قیادت کرتے ہوئے آزادی اظہار رائے اور تعمیری بحث کا ایسا ماحول فروغ دینے کا ذمہ دار ہوں جس میں تمام آراء سنی جائیں اور یقینی بنایا جائے گا کہ بورڈ آف ڈائریکٹرز سینئر مینجمنٹ کی بات مناسب حد تک ضرور سنے۔ میں اس بات کا پختہ عزم کرتا ہوں کہ آپ کی کمپنی تمام متعلقہ قوانین اور ضوابط کی پابند رہے گی اور یہ کہ ہماری انتظامیہ ایسے فیصلے کرتی رہے گی جو مختصر، درمیانی اور طویل مدتی منافع کا سبب بنیں گے۔

بورڈ نے کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق اپنا سالانہ خود اختصاتی عمل سرانجام دیا اور اس کی کارکردگی زیادہ تسلی بخش اور بہتر پائی گئی۔ بورڈ کی تمام توجہ کاروباری مواقع، رسک مینجمنٹ اور انتظامی نگرانی فراہم کرنے پر مرکوز رہی۔

کمپنی میں اندرونی آڈٹ ایک آزاد شعبہ ہے، جو خطرات پر مبنی احتسابی عمل کو جاری رکھتا ہے۔ بورڈ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی آڈٹ رپورٹس کا جائزہ لیتی ہے، جس میں بہتری کے پہلو اُجاگر کیے جاتے ہیں۔

آپ کی کمپنی اپنے ملازمین کو محفوظ، صحت مند، اور آرام دہ پیشہ ورانہ ماحول فراہم کرنے کے لئے حالات کارمزید بہتر بنانے کے غرض سے خاطر خواہ وسائل کی مسلسل سرمایہ کاری کر رہی ہے۔

بورڈ کی جانب سے، میں کمپنی کی کامیابی میں شریک اپنے تمام ملازمین کے تعاون کا اعتراف کرنا چاہتا ہوں۔ میں اپنے حصص یافتگان، صارفین، سپلائرز، بینکرز، کاروباری شراکت داروں، اور دیگر متعلقین کے اعتماد اور تعاون کے لئے اُن کا شکریہ ادا کرتا ہوں۔ بورڈ آئندہ آنے والے چیلنجز کا مقابلہ کرنے کے لئے بھرپور اعتماد کے ساتھ اگلے سال کا منتظر ہے۔

آکمل

کمال اے چنائے

چیئرمین

کراچی: ۲۱ اگست ۲۰۲۳ء

مجھے خوشی ہے کہ میں ۳۰ جون ۲۰۲۳ء کو اختتام پزیر ہونے والے سال کا جائزہ پیش کر رہا ہوں۔ اس تجزیے میں کمپنی کی کارکردگی اور انتظامی عملے کو بورڈ آف ڈائریکٹرز کی جانب سے دی گئی راہنمائی اُجاگر کرنا مقصود ہے، جس کے ذریعے تمام حصہ داروں کا مفاد یقینی بنایا گیا ہے۔

گزشتہ مالی سال پاکستانی معیشت متفرق اور پیچیدہ مسائل سے نبرد آزما رہی، بالخصوص مشرقی یورپ میں یوکرین کی جنگ سے پیدا ہونے والے حالات اور اجناس کی قلت سب سے بڑے اسباب بنے رہے، پاکستان میں سیلاب کے تباہ کاری اور غیر مستحکم سیاسی ماحول، انہی گونا گوں حالات کے سبب افراط زر اور مہنگائی کی شرح میں ہوشربا اضافہ ہوا۔ پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی اور زرمبادلہ کے ذخائر 40 فیصد تک گر گئے۔ نتیجتاً مرکزی بینک نے شرح سود میں 8.25 فیصد اضافہ کر دیا اور حکومت نے درآمدات پر انتظامی پابندیاں عائد کر دیں، نیز توانائی کی قیمتوں اور کارپوریٹ ٹیکسز میں مزید اضافہ کر دیا۔ لہذا، ان معاشی اور مالیاتی اقدامات کے سبب ترسیل رسد میں شدید رکاوٹیں پیدا ہوئیں جس کی وجہ سے مجموعی ملکی پیداوار (GDP) 0.29 فیصد تک سکوڑ گئی اور وسیع مصنوعات سازی (LSM) میں 10.2 فیصد کمی واقع ہوئی۔

عالمی سطح پر اسٹیل کی قیمت سال بھر غیر مستحکم رہی، جو 1,075 امریکی ڈالر فی میٹرک ٹن سے شروع ہو کر 1560 امریکی ڈالر فی میٹرک ٹن ہو گئی نتیجتاً منافع پر شدید باؤ ڈال رہا۔ مقامی فولادی صنعت میں بھی قوت خرید کی عدم موافقت کے سبب خرید و فروخت میں 36 فیصد نمایاں کمی دیکھی گئی۔ مزید برآں، فانا/پائٹا میں سبز ٹیکس کی چھوٹ کا بے جا استعمال، مقامی فولادی صنعت پر منفی اثر ڈالتا رہا۔ فنانس ایکٹ 2023 کے مطابق اب یہ انتہائی جون 2024 تک مزید بڑھادی گئی ہے۔

ان مسائل پر قابو پانے کے لئے آپ کی کمپنی نے ورکنگ کپینٹل مینجمنٹ پر توجہ کے ذریعے اپنی ثابت قدمی اور صلاحیت کا مظاہرہ کیا ہے، جس کے سبب آپریشنز سے 22.3 ارب روپے کی نقد آمدنی ہوئی نتیجتاً مجموعی طور پر 16.8 ارب روپے قرض میں کمی واقع ہوئی۔ 10 فیصد سپر ٹیکس کے نفاذ یعنی 486 ملین روپے کے ٹیکس خسارے کے باوجود 3.5 ارب روپے کا منافع بعد از محصولات حاصل ہوا۔

کمپنی کے اغراض و مقاصد کے مطابق انتظامیہ کی بھرپور توجہ کمپنی کی مجموعی کامیابی کے لئے معیاری مصنوعات کی پیداوار اور ٹھوس کاروباری منصوبہ بندی پر رہی۔ ادارہ کی بنیادی صلاحیتیں، جیسے اس کی پُر عزم اور معیاری افرادی قوت، پیداواری انتظامات اور موثر سپلائی چین مینجمنٹ کا اعتماد، اسے تقویت بخشتی ہیں۔



Transforming Steels into Possibilities for Future

At ISL, innovation and responsibility form the bedrock of our journey towards a sustainable enterprise, actively forging a path to a more resilient and sustainable future. From investing in cutting-edge technology to redefining the meaning of "Made in Pakistan," ISL is committed to revolutionizing the nation's industrial landscape while maintaining a steadfast connection with society at large.

With a mission of creating a meaningful impact, our deep-rooted commitment to enhancing lives in the communities we serve drives us to actively champion diverse social, educational, and healthcare initiatives throughout Pakistan. ISL is engaged in multiple social and community ventures aimed at promoting well-being across sectors. For these endeavors, the company allocates a minimum of **1.5% of after-tax profits** to foster social upliftment and charitable endeavors.

As we cultivate significant social and cultural ties, our vision encompasses an equitable, enlightened society where individuals can realize their potential with dignity. Since its inception, International Steels Limited has been steadfast in its mission to fuel industrial growth in Pakistan. Our determination mirrors steel itself – the substance that shapes the future and weaves a better tomorrow for all.

Directors' Report

The Directors of International Steels Limited are pleased to present the 16th Annual Report accompanied by the audited financial statements for the year ended June 30, 2023.

Global Steel Scenario

- Global steel prices declined by almost **49%** after hitting a record high of **US\$1,100/MT** this year.
- The prices of raw materials, mainly iron ore and coking coal witnessed significant downward adjustments.
- The global market weakened in the first half of the 2022-23 but recovered in the later part of the year to **US\$650/MT**.
- World crude steel production remained at **1.8 billion metric tons** during the year, with a decrease of **5%** as compared to last year's production of **1.9 billion metric tons**.
- China continued to lead the global steel market however, its total production has increased to **1,035** from **1,018 million metric tons** with its overall share in the global output to **56%** from **54%** last year.



National Economy

Pakistan's economy faced severe shocks over the past year, with notable impacts stemming from the consequences of floods, highly fluctuating commodity prices, and tighter external and domestic financing circumstances.

These factors disrupted the post-pandemic recovery and resulted in a substantial rise in inflation and a notable depletion of forex reserves. Conditions were further exacerbated by frequent announcements of temporary plant closures due to challenges in importing machinery and intermediate inputs, leading to raw material scarcities and an economic deceleration.

These actions have reduced the current account deficit to **US\$2.5 billion** from last year's **US\$ 17 billion**. However, they have also led to stricter financial conditions, higher borrowing expenses, particularly for the Large-Scale Manufacturing sector, and suppressed demand.



Business Review

Ukraine's war exerts supply chain disruptions, leading to a spike in global commodity prices.

This inflationary pressure exacerbated the deteriorating foreign exchange reserves of the country resulting in a sharp decline in foreign exchange reserves. The State Bank raised the policy rates several times during the year to curb inflation and imposed import-related administrative measures to conserve precarious exchange reserves.

The import curbs provided an opportunity for the State Bank to curtail the current account balance but restricted the industry's access to procure raw materials which lead to a massive contraction in overall GDP. Similarly, the policy rates hike significantly increased the government financing requirements to curb the budget deficit, which was tackled through the increase of taxes.

The company, however, navigated proficiently across these vulnerable times with a precise focus on effective inventory and cash management. The management further improvised by incorporating operational efficiencies, implementing energy conservation plans, and executing only business-critical capital projects. These measures enabled the company to generate valuable cash and resulted in a reduction in borrowing levels.

The company was able to maintain healthy gross profit margins on the back of inventory rationalization and by increasing its market share in the shrinking economy. Further, productivity initiatives and lean manufacturing approach ensure that costs remained well below all-time high inflation.



Sales

In the fiscal year 2022-23, sales remained a challenge due to substantial **36%** reduction in the overall market size. The market was further impacted due to tax exemptions to manufacturers in the erstwhile FATA / PATA regions. Despite these factors, the company increased its market share to **36%** from **31%** in last year. The sales volume was at **308,000 MT**, including **8,000 MT** from toll manufacturing. Even amidst the challenges posed by the contraction of the North American market and the fluctuations in international steel prices, the company has successfully exported **48,000 MT**.

Furthermore, it's worth highlighting that the company's efforts were recognized with the FPCCI 46th Best Export Performance Award for the year 2021-22 and KCCI Best Export Performance Award for 2019-20 and 2020-21, underscoring its dedication and excellence in exports.



Manufacturing Operations

The company practices Lean manufacturing and Six sigma to drive efficiencies in the production processes and reduce wastages. The current year's production was **304,000 MT** which was in line with sales demand.

The company has proactively undertaken several initiatives to streamline its costs and enhance efficiency through strategic production planning which effectively mitigated the impact of high energy costs during the winter season along with operations in non-peak hours only. This initiative resulted in a substantial energy cost reduction.

Furthermore, innovative packaging solutions and in-house plant maintenance replaced the imported materials resulting in reduced operational costs. These collective efforts exemplify the company's commitment to achieving cost-effective solutions while maintaining operational excellence.



Health, Safety and Environment

The company believes in and is fully committed to improving Health, Safety, and Environment standards to achieve sustainable HSE performance. Process Safety & Behavior Based Safety across the organization is ensured through HSE Management System integrated with the company's organization scheme and the Company is on track for continuous improvement with a focus to achieve & sustain leadership levels. The Company has a dedicated Health, Safety & Environment department manned by subject matter experts. We have engaged a top-notch HSE expert in the development of behavioral-based safety culture to create a sustainable and safe working environment for our people, customers, contractors, and the community.

Implementation of focused safety programs, environmental standards, and strong visible leadership resulted in yet another year without any major incidents. Your company continued to comply with National Environmental Quality Standards including best practices for air emissions, noise, portable water, and industrial effluent. The Company received a third consecutive year Corporate Social Responsibility Award at the National Forum for Environment and Health (NFEH). The Company is operating an incident management program using "Safesite" as a tool. It assists in reporting unsafe acts and conditions, near misses and incidents as well as ensuring the key learnings are shared across the organization.

The Company conducted environmental monitoring in compliance with Sindh Environmental Protection Agency (SEPA) requirements at ISL Factory & Service Centre for the year 2022-23.



Energy Management

The company's **19 MW** co-generation power plant continued to operate satisfactorily, the heat recovered in the process meets most of the utility needs of the process and in line with our practice, excess energy is supplied to K- Electric.

Financials

The Company has successfully upheld favorable profit margins despite the economic crisis.

For the current fiscal year, the company has reported a revenue of **Rs. 76.7 billion**, accompanied by a gross margin of **13.8%**, exhibiting resilience in these challenging times. The company has posted **Rs. 3.5 billion** profit after tax after taking a charge of **Rs. 486 million** of a last minute super tax of **10%**.

The company efficiently managed its working capital, leading to the generation of cash flows. Additionally, the company retired its long term KIBOR based loan early, resulting in significant financial cost savings.

From operational activities, the company generated a robust cash flow of **Rs. 22.3 billion** and successfully lowered its overall long and short-term borrowings by **Rs. 16.8 billion** in the fiscal year 2022-23.

The management remained focused on working capital management through effective inventory management and was able to reduce the inventory from **Rs. 30 billion** at the end of June 2022 to **Rs. 17 billion** at the end of June 2023.

Conversion cost increased by **4.8%** to **Rs. 4,557 million** as compared to prior year cost of **Rs. 4,349**, despite average inflation of **28%** for the year.

Selling and freight expenses decreased by **36%** to **Rs. 997 million** as compared to last year of **Rs. 1,563 million**, where administrative expenses increased by **14%** to **Rs. 389 million**.

Other operating expenses increased by **42%** to **Rs. 1,922 million** mainly on account of an exchange loss of **Rs. 1,479 million** net exchange loss due to extreme volatility in the exchange rate (**Rs. 205 / USD to Rs. 286 / USD**).

Financial charges stood at **Rs. 2,264 million** against last year's **Rs. 1,323 million**. This increase can be attributed mainly to higher interest rates and the imposition of a 100% cash margin requirement on the imports of HRC, which exerts pressure on working capital requirements. Additionally, the introduction of a 10% super tax amounting to **Rs. 486 million** led to a higher effective taxation rate for the year.



Earnings Per Share

Earnings per share for the year ended June 30, 2023, were **Rs. 8.09** compared with **Rs. 12.44** per share last year.

VIS Credit Rating

In its interim rating review in March 2023, VIS Credit Rating Company Limited has maintained the company ratings of '**A+/A-1**' (**Single A Plus/A-One**). The outlook assigned to the entire steel sector by the credit rating agency is 'Watch developing'.

Human Resources

The Company maintained industrial peace and a positive and enabling work environment for all employees in the organization by promoting candor and fairness.

The Company continued its efforts on the development of personnel at all levels, proactively building capabilities and retaining talent for business continuity.

Employee engagement has been managed with robust policies and procedures.

Team building activities were organized during the year, involving various cross-functional teams to foster networking and coherence amongst departments.

A state-of-the-art gymnasium continues to operate to encourage employees to adopt a healthy lifestyle.

The Company successfully continued its operations with an optimal headcount of **688**.

The Company has developed a detailed succession plan, which includes performance evaluation and appropriate training requirements for the development of potential future leaders.

The Company continued to enhance the capabilities of employees by providing them with development opportunities in prestigious institutions including LUMS, IBA, ICAP, MAP, and PIM.

In recognition of its good HR practices, the Company was the recipient of the "Employer of the Year" award, from the Employers' Federation of Pakistan.

The Company remains committed to being an equal opportunity employer and has through various initiatives onboarded females in various managerial positions across different functions within the organizations.

The Company also encourages Women in Leadership position and have female employee as part of management team.



Corporate Social Responsibility

The Company is committed to supporting the community and has a policy to contribute at least **1.5%** of its profit after tax. The Company contributed **Rs. 55.6 million, 1.58%** of its profit after tax, to different health care, educational, and social uplifting projects. The Company regularly supports various healthcare facilities including, Karwan-e-Hayat, Al Rehmat Benevolent Trust, AKUH Patients Behbud Society, and The Indus Hospital to ensure the provision of quality healthcare facilities to the less privileged section of society.

ISL believes that the future of our country is linked with high-quality education. Education is critical for sustainable economic development as well as human and social interaction within society. The Company has continued to maintain a scholarship program at NED University for deserving students. The Citizen Foundation school campus at Landhi has been supported for over a decade to cater to growing needs of education in the area. The Company demonstrates a firm commitment to contributing to social uplifting and community development initiatives by supporting organizations like Amir Sultan Chinoy Foundation.



Risk Management

The Risk Management Infrastructure of the company is based upon an Enterprise Risk Management framework addressing the major risk categories including Strategic, Operational, Compliance, and Financial Reporting Risk.

Adequate controls have been designed and communicated to the staff via various policy and procedural guidelines, which are executed and self-assessed by the process owners. A comprehensive risk register has also been developed by the management laying down key risks of each area/function with corresponding controls and their ratings for effective evaluation. The Risk Register is presented in a special BAC meeting along with four quarterly reviews and subsequently presented to the Board. An independent Internal Audit Department, direct reporting to the Board Audit Committee, evaluates, oversees, and comments on the design and operating effectiveness of these controls.



Boards Composition and Remuneration

The composition of the Board and the names of Members of Board Sub-committees are detailed on Page No. 82.

The Company has formulated a transparent policy and procedures for the remuneration of its directors (refer to note 35 of the financial statements) by the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations 2017.

Recommendation of the Board Audit Committee for Appointment of Auditor

The Audit Committee's recommendation for auditor appointment is referred to Page No 100.

Dividend

Given the financial results of the Company for the year 2022-23, the Board of Directors of the Company has recommended a final cash dividend of **25%** i.e., **Rs.2.50** per share in addition to the interim cash dividend of **30%** i.e., **Rs. 3.00** per share, already paid, making a total of **55%** i.e., **Rs. 5.50** per share for the financial year ended June 30, 2023.

Appropriations

	2023	2022
	Rupees in '000	
Profit after tax for the year	3,518,790	5,412,190
Interim Dividend 2023 Rs. 3.00 per share; (2022 Rs. 2.00 per share)	(1,305,000)	(870,000)
Final Dividend 2023 Rs 2.50 per share; (2022: Rs. 4.50 per share)	(1,087,500)	(1,957,500)

Contribution to National Exchequer and the Economy

Your Company contributed **Rs. 16,720 million** to the National Exchequer during the year by way of income tax, super tax, sales tax, customs duties, and other levies.

Provident Fund & Gratuity Scheme

The Company provides retirement benefits to its employees. These include a non-contributory defined benefit Gratuity Scheme and a contributory Provident Fund. Both plans are funded schemes recognized by tax authorities.

The values of the provident fund and the gratuity scheme are **Rs. 229 million (2022: Rs. 249 million)** and **Rs. 372 million (2022: Rs. 294 million)**.

Recognition

ISL has received the 37th Corporate Excellence Award in Engineering sector by the Management Association of Pakistan (MAP). Furthermore, it's important to highlight that the company's dedication and excellence in exports were acknowledged through the FPCCI 46th Best Export Performance Award for the year 2021-22 and KCCI Best Export Performance Award for 2019-20 & 2020-21, further affirming its position as a leader in the industry.

Future Outlook

The Company remains steadfast in its commitment to investing in its manufacturing facilities, human capital, ERP systems, and product quality improvements. These strategic investments are poised to reinforce the Company's already robust position within the engineering sector.

Pakistan has entered a 9-month Stand-By Arrangement (SBA) with the International Monetary Fund (IMF) amounting to **USD\$3 billion**. This agreement signifies a pivotal step forward for Pakistan, offering vital support for its economic stabilization program amid a demanding economic landscape. However, necessary adjustments relating to energy price increases, upticks in consumption taxes, and the ripple effects of currency depreciation will permeate through the economy.

Nevertheless, the Company's dedication to ongoing and sustainable investments in manufacturing capabilities, supply chain processes, product quality, human capital, and marketing prowess will persist. These commitments continue to furnish the Company with a competitive edge over its peers in the market. The Company remains unwavering in its pursuit of augmenting market share both domestically and internationally, with a strategic focus on contributing to import substitution

Acknowledgments

The Board would like to thank our employees, customers, suppliers, shareholders, and bankers for their continued support. The confidence and goodwill of the stakeholders have allowed the Company to sustain and grow over the years.

We continue to pray to Allah for the success of the Company and the benefit of all stakeholders, and the country in general.



Mr. Yousuf H. Mirza
Chief Executive

Karachi: August 21, 2023



Mr. Kamal A. Chinoy
Chairman

بورڈ کی تشکیل اور معاوضہ

بورڈ کی تشکیل اور بورڈ کی ذیلی کمیٹیوں کے ارکان کے نام صفحہ نمبر 82 پر تفصیل سے درج ہیں۔
کمپنی نے کمپنیز ایکٹ 2017 اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے تحت اپنے ڈائریکٹرز کے معاوضے کا تعین کرنے کے لئے ایک شفاف پالیسی اور طریقہ کار وضع کیا ہے (مالیاتی گوشوارہ کا نوٹ 35 دیکھیں)۔

بورڈ آڈٹ کمیٹی کی جانب سے آڈیٹر کی تقرری کے لئے سفارشات

آڈیٹر کی تقرری کے لئے آڈٹ کمیٹی کی سفارشات صفحہ نمبر 100 پر درج ہے۔

ڈیویڈنڈ

کمپنی کے سال 2022-23 کے مالیاتی نتائج کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے 25 فیصد یعنی 2.50 روپے فی حصص حتمی نقد منافع کی سفارش کی ہے جو گزشتہ ادا شدہ 30 فیصد عبوری نقد منافع منقسم یعنی 3.00 روپے فی حصص کے علاوہ ہے، گویا مجموعی طور پر 30 جون 2023 کو اختتام پزیر ہونے والے مالی سال کا کل منافع 55 فیصد یعنی 5.50 روپے فی شیئر بنتا ہے۔

تخصیصات

	۲۰۲۲	۲۰۲۳
منافع بعد از محصول ادا کیے	5,412,190	3,518,790
عبوری منافع منقسمہ	(870,000)	(1,305,000)
حتمی منافع منقسمہ	(1,957,500)	(1,087,500)

روپے '000 میں

2.00:2.00 (2022) روپے فی شیئر
3.00:2.50 (2022) روپے فی شیئر
4.50:2.00 (2022) روپے فی شیئر

قومی خزانے اور معیشت میں شراکت

آپ کی کمپنی نے گزشتہ مالی سال کے دوران قومی خزانے میں اگم ٹیکس، سیلز ٹیکس، کسٹم واجبات اور دیگر محصولات کی مد میں 16,720 ملین روپے کی ادائیگی کی۔

پراویڈنٹ فنڈ اور گریجویٹ اسکیم

کمپنی اپنے ملازمین کو ریٹائرمنٹ پر فوائد فراہم کرتی ہے۔ ان میں تمام ملازمین کے لئے نان کسٹریبیوٹری ڈیفائنڈ بینیفٹ گریجویٹ اسکیم اور یونینائزڈ عملے کے علاوہ تمام ملازمین کے لئے ایک کسٹریبیوٹری پروویڈنٹ فنڈ شامل ہے۔ یہ دونوں فنڈ ڈائریکٹرز کی نگرانی میں منظر شدہ ہیں۔

سال کے آخر میں پراویڈنٹ فنڈ اور گریجویٹ اسکیم کی مالیت 229 ملین روپے (2022: 249 ملین روپے) اور 372 ملین روپے (2022: 294 ملین روپے) رہیں۔

پزیرائی

آئی ایس ایل کو مینجمنٹ ایسوسی ایشن آف پاکستان (MAP) کی جانب سے انجینئرنگ کے شعبے میں سینئر سٹاف کارپوریٹ ایسوسی ایشن ایوارڈ ملا ہے۔ مزید برآں، یہ بھی قابل ذکر ہے کہ برآمدات کے شعبے میں کمپنی کی عزم اور عمدہ کارکردگی کا اعتراف FPCCI کے چھٹیلے سوارا بہترین ایکسپورٹ پرفارمنس ایوارڈ برائے 2021-22 اور KCCI بہترین ایکسپورٹ پرفارمنس ایوارڈ برائے 2020-21 اور 2020-21 کے ذریعے بھی کیا گیا ہے، جو صنعتی شعبے میں اس کی کلیدی حیثیت مزید مستحکم کرتا ہے۔

مستقبل کے امکانات

اقتصادی مسائل کے باوجود، کمپنی نے اپنی پیداواری صلاحیت، افرادی قوت، ERP سسٹمز اور مصنوعات کے معیار کو بڑھانے میں سرمایہ کاری جاری رکھی ہے۔ یہ کلیدی سرمایہ کاری انجینئرنگ کے شعبے میں کمپنی کی موجودہ مضبوط حیثیت کو مزید مستحکم کرنے کے قابل بنائے گی۔

پاکستان بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ 9 ماہ کے عارضی ارتھمنٹ (ایس بی اے) میں داخل ہو گیا ہے جس کا حجم 3 ارب امریکی ڈالر ہے۔ یہ معاہدہ پاکستانی معیشت کے لئے ایک اہم قدم ہے، جس سے معاشی استحکام کے پروگرام کے لئے اہم مدد حاصل ہونے کی امید ہے۔ تاہم، توانائی کی قیمتوں میں ضروری ایڈجسٹمنٹ کی مد میں اضافہ، کھپت کے ٹیکسوں میں اضافہ اور کرنسی کی قدر میں کمی معیشت پر منفی اثرات مرتب کرے گی۔

اس کے باوجود، پیداواری صلاحیتوں، سپلائی چین کے عمل، مصنوعات کے معیار، افرادی قوت، اور مارکیٹنگ کی صلاحیتوں میں جاری اور پائیداری سرمایہ کاری کے لئے کمپنی کا عزم برقرار رہے گا۔ یہ وعدے کمپنی کو مارکیٹ میں اپنے ہم عصروں کے مقابلے میں مسابقتی برتری فراہم کرتے رہتے ہیں۔ کمپنی درآمدی متبادل پر اسٹریٹیجک توجہ کے ذریعے مقامی اور بین الاقوامی سطح پر مارکیٹ شیئر کو بڑھانے کے لئے اپنی کوششوں میں غیر متزلزل ہے۔

اعترافات

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین، صارفین، سپلائرز، حصص یافتگان اور بینکرز سمیت تمام متعلقین کے تعاون کے شکر گزار ہیں۔ تمام متعلقین کے اعتماد اور خیر سگالی نے گزشتہ برسوں میں کمپنی کو مستحکم رکھنے اور ترقی دینے کا موقع فراہم کیا ہے۔ ہم کمپنی کی کامیابی اور تمام متعلقین اور ملک گیر عمومی فائدے کے لئے اللہ سے دعا گو رہیں گے۔

کمال اے چنائے
چیئر مین

یوسف حسین مرزا
چیف ایگزیکٹو آفیسر

کراچی: ۲۱ اگست ۲۰۲۳ء

فیحصہ آمدنی

30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے فیحصہ آمدنی پچھلے سال 12.44 روپے کے مقابلے میں اس سال 8.09 روپے فیحصہ رہی۔

VIS کریڈٹ ریٹنگ

مارچ 2023ء میں اپنے عبوری درجہ بندی کے جائزے میں، VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کے لئے 'A+/A-1' (single A Plus / A-One) کی درجہ بندی برقرار رکھی ہے۔ کریڈٹ ریٹنگ ایجنسی کی جانب سے تمام فولادی صنعت کا تفویض کردہ درجہ 'واچ ڈویلوپنگ' ہے۔

افرادى قوت

کمپنی نے غیر جانبداری اور منصفانہ رویہ اختیار کرتے ہوئے تمام ملازمین کے لئے محفوظ صنعتی اور ایک مثبت قابل عمل ماحول برقرار رکھا ہوا ہے۔ کمپنی تمام سطحوں پر عملے کی ترقی کے لئے اپنی کوششیں جاری رکھے ہوئے ہے اور باصلاحیت افراد کی فعال تربیت کا سلسلہ بھی جاری ہے۔ جس کے تحت ملازمین کی مصروفیات مثبت حکمت عملی اور طریقہ کار کے ذریعے منظم کی جاتی ہیں۔ اس سال ملازمین کے درمیان ڈپٹی ہم آہنگی قائم رکھنے کے لئے مختلف سرگرمیوں کا انعقاد کیا گیا، جس میں مختلف باہمی تعاون کی پیشہ ورانہ مشقیں شامل تھیں تاکہ شعبوں کے درمیان روابط اور ہم آہنگی کو فروغ دیا جاسکے۔ نیز ملازمین کو صحت مند طرز زندگی اپنانے کی ترغیب اور ماحول فراہم کرنے کے لئے ایک جدید ترین جمنازیم بھی موجود ہے۔

کمپنی نے 688 افراد کی مناسب افرادی قوت کے ساتھ کامیابی سے اپنا پیداواری عمل جاری رکھا۔ کمپنی نے موجودہ تقریروں کے لئے منصوبہ بندی کرتے ہوئے مستقبل کے نئے ہنرمندوں کی ترقی کے لئے کارکردگی کا جائزہ اور مناسب تربیتی مواقع شامل کیئے۔ کمپنی نے ملازمین کی پیشہ ورانہ تربیت کے حوالے سے MAP، ICAP، IBA، LUMS اور PIM سمیت ممتاز پیشہ ورانہ تعلیمی اداروں میں تربیت حاصل کرنے کے مواقع فراہم کرنے کی کاوشوں میں اضافہ کیا ہے۔ افرادی قوت کے موثر انتظام کے سبب آپ کی کمپنی نے ایمپلائرز فیڈریشن آف پاکستان کی جانب سے 'ایمپلائرز آف دی ایئر ایوارڈ' حاصل کیا ہے۔

کمپنی مساوی مواقع فراہم کرنے کے لئے پرعزم ہے اور اس نے متعدد اقدامات کے ذریعے کئی شعبوں میں مختلف قیادت کی عہدوں پر خواتین کو بھی شامل کیا ہے۔ کمپنی، انتظامی پوزیشنز پر بھی خواتین کی موجودگی کی حوصلہ افزائی کرتی ہے اور خواتین الیکار بھی انتظامی ٹیم کا حصہ ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی سماجی خدمت کے لئے پرعزم ہے اور اس کی پالیسی ہے کہ محصولات کی ادائیگی کے بعد اپنے منافعے کا کم از کم 1.5 فیصد حصہ سماجی خدمات کے لئے مختص رکھے۔ کمپنی نے اس سال محصولات کی ادائیگی کے بعد صحت، تعلیم اور سماجی ترقی کے مختلف منصوبوں میں منافعے کا 1.58 فیصد حصہ یعنی 55.6 ملین روپے سے تعاون کیا۔

آپ کی کمپنی معاشرے کے کم مراعات یافتہ طبقے کے لئے صحت کی معیاری سہولیات کی یقینی فراہمی کے غرض سے کاروان حیات، الرحمت ہینولینٹ ٹرسٹ، AKUH ہسپتال، بہبود سوسائٹی اور دی انڈس ہو ہسپتال سمیت متعدد طبی اداروں کی مالی معاونت باقاعدگی سے کرتی ہے۔

آئی ایس ایل کا ماننا ہے کہ ہمارے ملک کا روشن مستقبل اعلیٰ اور معیاری تعلیم سے وابستہ ہے۔ تعلیم پائیدار اقتصادی ترقی کے ساتھ ساتھ معاشرے کے اندر انسانی اور سماجی تعامل کے لئے بے حد اہم ہے۔ کمپنی نے NED یونیورسٹی میں مستحق باصلاحیت طلبہ کے لئے اپنا اسکالرشپ پروگرام جاری رکھا ہوا ہے۔ پیشہ ورانہ تربیت کی بڑھتی ہوئی ضروریات پوری کرنے کے لئے پچھلے دہائی سے کمپنی، 'دی سٹیزن فاؤنڈیشن اسکول' لائڈھی کمپس کو مسلسل امداد فراہم کرتی آ رہی ہے۔

کمپنی امیر سلطان چنائے فاؤنڈیشن جیسی تنظیموں کی اعانت کے ذریعے سماجی اور معاشرتی ترقی کے اقدامات میں حصہ ڈالنے کے لئے پختہ عزم کا عملی مظاہرہ کر رہی ہے۔

رسک مینجمنٹ

کمپنی کا رسک مینجمنٹ انفراسٹرکچر، انٹرپرائز رسک مینجمنٹ کے طریقہ کار/فریم ورک پر مبنی ہے جو اسٹریٹجک، آپریشنل، کمپلائنس اور فنانشل رپورٹنگ رسک سمیت بڑے خطرے کے زمروں کی نشاندہی کرتا ہے۔

مناسب اقدامات کی مدد سے، عملے کو مختلف ضوابط اور طریقہ کار کی رہنمائی کرنے اور ہدایات کے ذریعے مطلع کیا جاتا ہے، جو پروسس یا کنٹرول اونرز کی جانب سے خود کارحسابے کے ذریعے عمل میں لائے جاتے ہیں۔ انتظامیہ کی طرف سے ایک جامع رسک رجسٹر بھی تیار کیا گیا ہے جس میں متعلقہ کنٹرولز اور ان کی درجہ بندیوں کے ساتھ ہر شعبے/فنکشن کے اہم خطرات موثر تشخیص کے لئے درج کئے جاتے ہیں۔ نیز بورڈ کی آڈٹ کمیٹی کے ذریعے رسک رجسٹر کا سہ ماہی جائزہ بھی لیا جاتا ہے۔

ایک خود مختار انٹرنل آڈٹ ڈیپارٹمنٹ، بورڈ کی آڈٹ کمیٹی کو براہ راست رپورٹنگ کے تحت ان کنٹرولز کے ڈیزائن اور آپریشنل کارکردگی کا جائزہ، نگرانی اور تبصرے فراہم کرتا ہے۔

پیداواری کارگزاری

کمپنی نے لین پیداوار اور سکس سگما نفوذ سے پیداواری عمل میں کارکردگی بڑھاتے ہوئے ضیاع کم کیا۔ زبردتیز یہ سال کے دوران پیداوار 304,000 میٹرک ٹن رہی، گویا فروخت، طلب کے مطابق رہی۔ کمپنی نے مستحکم پیداواری لاگت اور متوازن پیداواری حکمت عملی کے ذریعے کارکردگی بہتر بنانے کے حوالے سے خاطر خواہ اقدامات کیے، جن کے سبب موسم سرما میں توانائی کی زیادہ لاگت کے اثرات مؤثر طریقے سے کم کیے گئے، نیز پیداواری عمل نان-پیک آڈرز میں سرانجام دیا گیا۔ اس اقدام کے نتیجے میں توانائی کی لاگت میں خاطر خواہ کمی واقع ہوئی۔ مزید برآں، اختراعی ٹیکنیک سلسلہ اور ان ہاؤس پلانٹ مینجمنٹ سے درآمدی مواد کی لاگت میں کمی واقع ہوئی جس کے نتیجے میں آپریشنل اخراجات کم ہوئے۔ موثر تلاش کرنے اور آپریشنل عمدگی برقرار رکھنے جیسی تمام باہمی کوششیں کمپنی کے عزم کی عکاس ہیں۔

صحت، حفاظت اور ماحولیات

کمپنی HSE کی پائیدار کارکردگی حاصل کرنے کے لئے صحت، حفاظت اور ماحولیات کے معیارات کو بہتر بنانے پر یقین رکھتی ہے اور اس کی مسلسل بہتری کے لئے پُر عزم ہے۔ کمپنی کی تنظیمی اسکیم کے ساتھ مربوط HSE مینجمنٹ سسٹم کے ذریعے پوری تنظیم میں پیشہ ورانہ تحفظ اور برتناؤ پر مبنی تحفظ یقینی بنایا جاتا ہے اور کمپنی نمایاں سطح پر ان کے حصول اور انہیں برقرار رکھنے ہوئے مسلسل بہتری کی راہ پر گامزن ہے۔ کمپنی کے پاس صحت، حفاظت اور ماحولیات کے لئے مختص فعال شعبہ موجود ہے جس میں شعبہ جات کے ماہرین شامل ہیں۔ ہم نے اپنے ملازمین، صارفین، ٹھیکیداروں اور متعلقین کے لئے ایک پائیدار اور محفوظ پیشہ ورانہ ماحول بنانے والے طرز عمل پر مبنی حفاظتی کلچر کی ترقی کے لئے HSE کے ایک اعلیٰ درجے کے ماہر کی خدمات حاصل کی ہیں۔

خصوصی حفاظتی حکمت عملی، ماحولیاتی معیارات اور نمایاں مضبوط قیادت کے نفاذ کے نتیجے میں مزید ایک اور برس بغیر کسی بڑے حادثے کے گزر گیا۔ آپ کی کمپنی نے قومی ماحولیاتی معیارات کی تعمیل جاری رکھی، جس میں ہوا کے اخراج، شور، آبی زخاں کا تحفظ اور صنعتی فضلے کے لئے بہترین طریقہ اخراج شامل ہیں۔ ادارے نے نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ (NFEH) میں مسلسل تیسرے سال تین کارپوریٹ سوشل ریسپانسیبلٹی ایوارڈز حاصل کئے۔ کمپنی تحفظ کو یقینی بنانے کے لئے "سیف سائٹ" کے نام سے ایک منظم پروگرام چلا رہی ہے۔ یہ غیر محفوظ کارروائیوں اور تمام تر حالات و واقعات کی اطلاع دینے میں مدد فراہم کرتا ہے اور ساتھ ہی یقینی بناتا ہے کہ غلطیوں سے حاصل ہونے والی معلومات کمپنی کے تمام شعبوں تک پہنچیں۔

کمپنی نے جون 2023ء میں آئی ایس ایل فیکٹری اور سروس سینٹر میں سندھ انوائرنمنٹل پروٹیکشن ایجنسی (SEPA) کی ہدایات کے مطابق ماحولیاتی مشاہدہ سرانجام دیا۔

توانائی کا انتظام

کمپنی کا 19 میگا واٹ کا ملحقہ بجلی گھر تسلی بخش طریقے سے کام کر رہا ہے، جس کے ذریعے حاصل ہونے والی توانائی پیداواری عمل کی تمام ضروریات پوری کرتی ہے اور اضافی بجلی کے۔ الیکٹرک کو فراہم کر دی جاتی ہے۔

مالیات

کمپنی نے معاشی بحران کے باوجود منافع کا سازگار مارجن کا میابی سے برقرار رکھا ہے۔ موجودہ مالی سال کمپنی نے مجموعی طور پر 76.7 ارب روپے کی آمدنی حاصل کی اور ساتھ ہی 13.8 فیصد مجموعی مارجن حاصل کیا، جو بحران میں استحکام کا استعارہ ہے۔ کمپنی نے 10 فیصد سپر ٹیکس کے نفاذ کی مدد میں 486 ملین روپے کے نقصان کے بعد 3.5 ارب روپے کا بعد از ٹیکس منافع حاصل کیا ہے۔

کمپنی نے اپنے ورکنگ کپٹل کا مؤثر طریقے سے انتظام کیا، جس سے کیش فلو پیدا ہوا۔ مزید برآں، کمپنی نے اپنے طویل مدتی KIBOR پر مبنی قرض کو جلد ادا کر دیا، جس کے نتیجے میں اہم مالیاتی لاگت کی بچت ممکن ہوئی۔

آپریشنل سرگرمیوں سے، کمپنی نے 22.3 ارب روپے کا مضبوط کیش فلو مستحکم کیا اور مالی سال 2022-23 میں کامیابی سے اپنے مجموعی طویل اور مختصر مدتی قرضہ جات میں 16.8 ارب روپے کم کیے۔ انتظامیہ نے موثر انوینٹری مینجمنٹ کے ذریعے ورکنگ کپٹل مینجمنٹ پر توجہ مرکوز رکھی اور جون 2022 کے آخر میں 30 ارب روپے کی انوینٹری کم کر کے جون 2023 کے آخر میں 17 ارب روپے تک پہنچا دیا۔

سال بھر میں اوسطاً 28 فیصد مہنگائی بڑھنے کے سبب پچھلے سال کے 4,349 ملین روپے کے مقابلے میں تبادلوں کی لاگت 4.8 فیصد بڑھ کر 4,557 ملین روپے ہو گئی۔

فروخت اور مال برداری کے اخراجات گزشتہ سال 1,563 ملین روپے کے مقابلے میں 36 فیصد کم ہو کر 997 ملین روپے ہو گئے، جہاں انتظامی اخراجات 14 فیصد سے بڑھ کر 389 ملین روپے ہو گئے۔

دیگر آپریٹنگ اخراجات 42 فیصد یعنی 1,922 ملین روپے ہو گئے، بنیادی طور پر شرح مبادلہ میں انتہائی اتار چڑھاؤ یعنی (205 روپے سے 286 روپے فی امریکی ڈالر) کی وجہ سے 1,479 ملین روپے کا تبادلہاتی نقصان ہوا۔

مالیاتی چارجز پچھلے سال کے 1,323 ملین روپے کے مقابلے میں 2,264 ملین روپے رہے۔ اس اضافے کی وجہ بنیادی طور پر زیادہ شرح سود اور HRC کی درآمدات پر 100 فیصد نقد مارجن کی ضرورت کے نفاذ کو قرار دیا جاسکتا ہے، جس سے ورکنگ کپٹل کی ضروریات پر دباؤ برقرار رہا۔ مزید برآں، کمپنی نے آخری دنوں میں نافذ ہونے والے 10 فیصد سپر ٹیکس کی مدد میں 486 ملین روپے کی ادائیگی کی اور 3.5 ارب روپے کا بعد از محصولات منافع ظاہر کیا۔

ڈائریکٹرز کی رپورٹ

انٹرنیشنل اسٹیلز لمیٹڈ کے ڈائریکٹرز 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سولہویں سالانہ رپورٹ پیش کرتے ہوئے پُرسرت ہیں۔

فولاد سازی کا عالمی منظر نامہ

اس سال عالمی سطح پر فولاد کی قیمتیں تقریباً 49 فیصد تک گر گئیں، جو کہ موجودہ سال 1,100 امریکی ڈالر فی میٹرک ٹن کی بلند ترین سطح تک جا پہنچی تھیں۔ بنیادی خام مال خاص طور پر خام فولاد اور کولے کی قیمتوں میں ایک واضح نشیبی فرق دیکھنے میں آیا۔ عالمی منڈی 2022-23 کی پہلی ششماہی میں کمزور رہی لیکن مالی سال کے آخر تک 650 امریکی ڈالر فی میٹرک ٹن پر بحال ہو گئی۔

عالمی اعتبار سے خام اسٹیل کی پیداوار سال کے دوران 1.8 ارب میٹرک ٹن رہی، جو گزشتہ سال کی اسی مدت میں 1.9 ارب میٹرک ٹن کی پیداوار کے مقابلے میں 5 فیصد کم رہی۔ اسٹیل کی عالمی منڈی میں چین کی برتری برقرار رہی، تاہم اس کی کل پیداوار 1,018 ملین میٹرک ٹن سے بڑھ کر 1,035 ہو گئی اور عالمی پیداوار میں اس کا مجموعی حصہ گزشتہ سال کے 54 فیصد سے بڑھ کر 56 فیصد ہو گیا۔

قومی معیشت

پاکستان کی معیشت کو گزشتہ سال کے دوران شدید مسائل کا سامنا رہا، جن میں سیلاب کی تباہ کاری، اشیاء کی قیمتوں میں انتہائی اتار چڑھاؤ، اور سخت بیرونی اور مقامی مالیاتی حالات جیسے مسائل نمایاں رہے۔ یہ عوامل وبائی صورت حال کے بعد بحالی میں خلل کا سبب بنے اور اس کے نتیجے میں افراط زر میں ہوشربا اضافہ ہوا اور زرمبادلہ کے ذخائر میں نمایاں کمی واقع ہوئی۔ مشینری اور خام مال کی درآمد میں درپیش مسائل، پیداوار میں قلت کے باعث عارضی طور پر پلانٹ بند کرنے کے متعدد اعلانات، اقتصادی سست روی کا باعث بنے۔

ان اقدامات سے کرنٹ اکاؤنٹ خسارہ گزشتہ سال کے 17 ارب امریکی ڈالر سے کم ہو کر 2.5 ارب امریکی ڈالر تو ہوا، تاہم، ان عوامل کی وجہ سے سخت مالی حالات، قرض کے زائد اخراجات، خاص طور پر بڑے پیمانے پر پیداواری صنعت کے لئے کاروباری مانگ میں کمی کا سبب بنے رہے۔

کاروباری جائزہ

یوکرین کی جنگ نے ترسیل رسد میں خلل ڈالا، جس کی وجہ سے اشیاء کی عالمی قیمتوں میں اضافہ ہوا۔

افراط زر کے اس دباؤ نے ملک کے گرتے ہوئے زرمبادلہ کے ذخائر کو مزید گھٹا دیا جس کے نتیجے میں زرمبادلہ کے ذخائر میں زبردستی واقع ہوئی۔ نتیجتاً مرکزی بینک نے افراط زر میں کمی روکنے کے لئے سال کے دوران کئی بار شرح سود میں اضافہ کیا اور زرمبادلہ کے غیر مستحکم ذخائر بچانے کے لئے درآمدات سے متعلق انتظامی اقدامات نافذ کیے۔ درآمدی پابندیوں نے مرکزی بینک کو کرنٹ اکاؤنٹ بیلنس کم کرنے کا موقع فراہم کیا لیکن خام مال کی خریداری میں صنعت کی رسائی محدود ہو گئی، جس سے مجموعی جی ڈی پی میں بڑے پیمانے پر کمی واقع ہوئی۔ اسی طرح، شرح سود میں اضافے کے سبب بجٹ خسارہ کم کرنے کے لئے حکومتی مالیاتی ضروریات میں نمایاں اضافہ ہوا، جسے ٹیکسوں میں اضافے کے ذریعے پورا کیا گیا۔

تاہم، کمپنی نے ان مشکل حالات میں بھی اپنی تمام تر توجہ موثر طریقے سے انویسٹری مینجمنٹ اور کیش مینجمنٹ پر مرکوز رکھی۔ انتظامیہ نے فعال آپریشنل کارکردگی کے ذریعے، توانائی کے محدود استعمال کے منصوبے لاگو کر کے اور صرف اہم سرمایہ کاری کے منصوبوں پر عمل درآمد کے ذریعے کاروبار مزید بہتر بنایا۔ ان اقدامات کے سبب کمپنی کے کیش میں قابل قدر اضافے سمیت قرضوں کی سطح میں بھی واضح کمی ہوئی۔

کمپنی انویسٹری ریشلائزیشن کی بنیاد پر سکتی ہوئی بد حال معیشت میں بھی اپنا مارکیٹ شیئر بڑھا کر مجموعی طور پر نمایاں مارجن برقرار رکھنے میں کامیاب رہی۔ نیز، پیداواری اقدامات اور موثر مینوفیکچرنگ اپروچز کے ذریعے یقینی بنایا گیا کہ انتہائی بلند افراط زر کے ساتھ بھی پیداواری لاگت ہمہ وقت معقول رہے۔

فروخت

مالی سال 2022-23 میں، مجموعی طور پر کاروباری حجم میں 36 فیصد کمی کا باعث، فروخت میں کمی دیکھی گئی اور فانا/ پانا میں ٹیکس چھوٹ کے بے جا استعمال کے باوجود، آپ کی کمپنی نے گزشتہ سال کی نسبت اس برس اپنا مارکیٹ شیئر 31 فیصد سے 36 فیصد تک بڑھا لیا۔ فروخت کا حجم 308,000 میٹرک ٹن رہا، جس میں ٹول مینوفیکچرنگ کے 8,000 میٹرک ٹن بھی شامل ہیں۔

شمالی امریکہ کی مارکیٹ کے سکڑاؤ اور بین الاقوامی اسٹیل کی قیمتوں میں اتار چڑھاؤ کے ماحول میں بھی کمپنی کامیابی سے 48,000 میٹرک ٹن برآمد کرنے میں کامیاب رہی۔ مزید برآں، یہ بات بھی قابل ذکر ہے کہ کمپنی کی یہ کاوشیں چھیا لیسویں FPCCI بہترین ایکسپورٹ پرفارمنس ایوارڈ برائے 2020-21 اور KCCI بہترین ایکسپورٹ پرفارمنس ایوارڈ برائے 2019-20 اور 2020-21 میں تسلیم کی گئیں، جس نے برآمدات میں کمپنی کی لگن اور عمدہ کارکردگی اُجاگر کی۔



Solutions for the New Age Construction Projects

ISL aspires to achieve carbon negativity by maintaining sustainable operations and continuously improving products and processes to minimize our environmental footprint. Steel, essential for infrastructure and economic growth, can also lead to environmental impact due to its resource-intensive production.

The ISL Service Center not only shapes flat steel for a range of applications but also offers sustainable construction-related solutions. Our versatile steel frame solutions provide durability, ease of assembly, and environmental consciousness. These solutions integrate seamlessly with other components, making them suitable for various architectural styles and challenging terrains. They resist corrosion and termites, ensure fire safety, and promote recyclability.

Guided by the Clean, Lean, and Green approach, we prioritize eco-friendly operations. Our commitment involves efficient production, waste reduction, and mitigating our overall impact. Our facilities include functional in-house effluent treatment systems, reverse osmosis, acid regeneration, co-generation power plants, and an incinerator for gaseous waste disposal.

ISL remains steadfast in responsible, eco-conscious manufacturing and sustainable construction innovations.

Our Relationship with the Society and Community

In the wake of a challenging year for Pakistan's economy, characterized by the ripple effects of constrained financial conditions, we, as the foremost steel manufacturer of Pakistan, wish to share our steadfast commitment to both our business and our society.

The preceding year tested the resilience of our economy, with the aftershocks of floods, unpredictable commodity markets, and tightened financial landscapes casting their shadows. These factors disrupted the post-pandemic recovery trajectory, giving rise to inflationary pressures and depleting foreign exchange reserves, deepened the economic slowdown.

In response to these challenges, we, as responsible corporate citizens, acknowledge our pivotal role in ensuring business continuity for our society. Our company adeptly navigated through these turbulent times, by embracing operational efficiencies and energy conservation measures. Our unwavering commitment to quality, innovation, and sustainability enabled us to sustain healthy gross profit margins, even within a contracting economy. Embracing productivity enhancements and adopting a lean manufacturing ethos, we effectively managed costs, surpassing the challenges of inflationary pressures.

At the core of our business philosophy lies an unwavering dedication to global quality standards and sustainable practices. Our pursuit of eco-friendly operations is underpinned by our clean, lean, and green approach, aimed at minimizing waste and maximizing resource reuse. We actively undertake initiatives to conserve vital natural resources, thereby safeguarding life above and below the land.

Our dedicated workforce, numbering over 688 strong, embodies our organizational values and principles. Their ceaseless commitment not only fosters a secure work environment but also adds value to all our stakeholders. Over the years, we have championed management best practices, fostering a fair, unbiased, and competitive workplace, where diversity thrives. Our employees ardently participate in initiatives that benefit society, reflecting our shared commitment to the greater good.

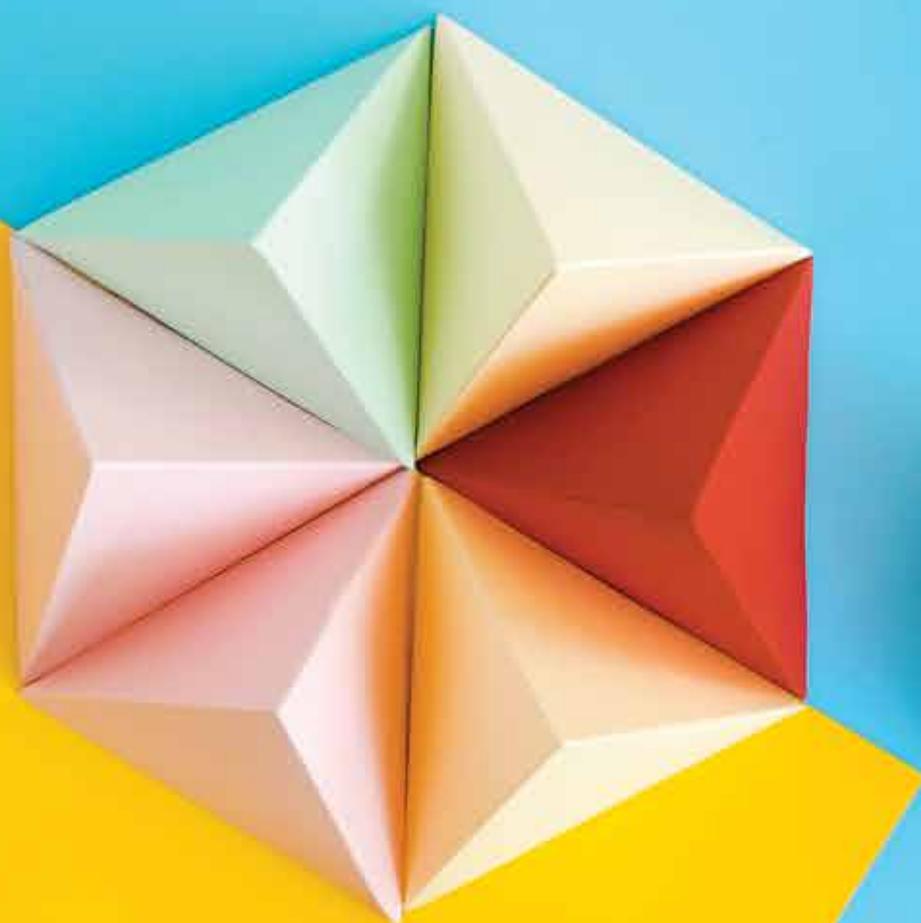
As we move forward, we recognize the imperative to expedite the infusion of sustainability into our operations. Our resolve to uphold our core values and vision remains unflinching. While we persist in our socially responsible approach, our overarching goal remains the advancement of human welfare and environmental conservation.

In closing, on behalf of the entire team, extend our heartfelt gratitude for your unwavering support. Together, let us forge ahead, fostering a harmonious synergy between business success and societal well-being.



Yousuf H. Mirza
Chief Executive Officer

Our Value System



Our Value System



1

Integrity

At our core, we uphold the highest ethical standards, cultivating a culture of trust and transparency both within and outside our organization. This unwavering commitment to integrity guides our every action.

Diversity

We stand as an exemplar of equal opportunity, embracing diversity in its entirety. Our stance is uncompromising zero bias towards gender, race, ethnicity, or religion. We foster an environment that celebrates open expression of opinions and encourages inclusivity.

2



3

Respect for People

People are our cornerstone. We believe in prioritizing individuals, nurturing a culture where their well-being takes precedence. We invest in their growth, ensuring that we hire, develop, and retain talents to form synergistic teams in alignment with our mission and vision.

Fairness

Our dedication to fairness is reflected in every facet of our operations. Our policies and procedures are a testament to this commitment—promoting equal treatment, from selection and hiring to rewarding and compensating every employee. We recognize the worth of every stakeholder.

4



5

Responsibility

We consider quality, health, safety and the environment an integral part of our activities and way of life.

10 UN GC Principles

ISL has set a benchmark for sustainability and corporate conduct by aligning with the United Nations Global Compact (UGC). At the heart of corporate sustainability lies a company's core values and a principled approach to business operations. This translates into operations that fulfill fundamental responsibilities in crucial domains such as human rights, labor, environment, and anti-corruption.

Our dedication to these shared principles actively guide us to integrate Global Compact principles into our strategies, policies, and procedures, with a strong emphasis on fostering a culture that embodies transparency and integrity. Through these efforts, we ardently strive to pave a steadfast path toward enduring sustainability.



Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure that they are not complicit in human rights abuses.



Labor

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:

the elimination of all forms of forced and compulsory labour;

Principle 5:

the effective abolition of child labour; and

Principle 6:

the elimination of discrimination in respect of employment and occupation.



Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Principle 8:

undertake initiatives to promote greater environmental responsibility; and

Principle 9:

encourage the development and diffusion of environmentally friendly technologies.



Anti-corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Our Stakeholders

Shareholders

- Enhance Shareholder value by prioritizing transparency and openness, while maintaining the utmost commitment to rigorous corporate governance and securing uninterrupted business continuity.



Employees

- Provide sustainable employment opportunities to a diverse range of skilled individuals.
- Embrace diversity and inclusion wholeheartedly, upholding employee welfare and well-being while maintaining a steadfast stance against sexual harassment and misconduct.
- Cultivate a safety culture that ensures the optimal work environment for all.



Customers

- Furnish top-tier products at prices that are both just and transparent to our customers, while empowering downstream industries with effortless access to essential raw materials.
- Engineer a product range tailored to cater to a multitude of industrial sectors across the nation.
- Secure a sustainable supply of flat steel products with customer service excellence.



Government

- Contribute to the government revenue collection, promote import substitution and solve country's major challenges through our value chain.
- Support government's efforts to provide welfare to the society.



Society

- Promote social uplift and welfare through real value creation, address the major human development issues of the society.
- Support corporate and social entities, in promoting social development goals and areas that are traditionally overlooked.



Stakeholders' Communication

Stakeholder	Frequency	Activities	Value Creation
Employees	Ongoing	<ul style="list-style-type: none"> Employee feedbacks Surveys In house training Townhall meetings Emails Newsletters 	<ul style="list-style-type: none"> Career Growth Learning and development Health and Safety
Customers	Ongoing	<ul style="list-style-type: none"> Customer visits Exhibitions Company organized events 	<ul style="list-style-type: none"> Quality product Fair pricing development Timely deliverability
Shareholders	Quarterly	Shareholders and providers of capital are engaged by corporate affairs department. The mode of engagement is Annual General Meeting (AGM) and Extra-ordinary General Meeting (EOGM).	<ul style="list-style-type: none"> Sustained economic returns Business growth
Society	Ongoing	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Donations Support for social causes 	<ul style="list-style-type: none"> Social Welfare Better access to opportunities
Government and Industrial Groups	Ongoing / As and when	Meeting with key stakeholders	<ul style="list-style-type: none"> Adequate representation Knowledge sharing

External Associations

ISL engages with various government and non-government associations to present our social and environmental impact and remain in coordination for further improvement.

Name of the Agency	ISL's Association
Pakistan Environment Agency	
Sindh and Punjab Environment Protection Agencies	
Federal Board of Revenue	
Civil Defense	
Labor Directorate	
Pakistan Federations Association	

Employees



Employees

ISL is dedicated to creating a positive societal impact through multiple avenues, including generating job opportunities, facilitating skill development, offering on-the-job training, and promoting employee well-being in a secure and comfortable work environment.

In the dynamic and fiercely competitive business landscape, an organization's prime advantage is its human capital. At ISL, we grasp this truth. Accordingly, our Human Resources Department conscientiously devises policies that align with our ongoing business objectives and also act as pathways for employees' career growth and self-improvement.

This strategic approach propels them towards becoming high-performance contributors, embodying our company's core values and vision. At the heart of ISL's operations lies an unwavering commitment to a code of conduct that champions workplace equity, embraces diversity spanning gender, race, and religion, nurtures collaborative teamwork, upholds respect for all, prioritizes safety, and actively fosters employee well-being.

Orientation and Induction

At ISL, we strongly believe in nurturing the inherent potential of our human resources. Our recruitment process is meticulously designed to assess and select the most suitable talent based on established role-specific criteria. Beyond skill and aptitude assessment, we recognize the profound importance of evaluating a candidate's value system before final selection. Drawing talent from the industry's finest, ISL's recruitment strategy is built on an encompassing orientation program, comprehensively acquainting new recruits with our business, customers, and operational intricacies.

This immersive onboarding process sets the foundation for seamless integration, enabling employees to swiftly grasp the company's organizational structure, core values, and operational dynamics.

With a dedicated focus on cultivating well-rounded professionals, this orientation equips individuals with the knowledge and zeal required to effectively fulfill their roles, ultimately boosting their capacity to meet and surpass performance targets.



Wellbeing

ISL places paramount importance on the management of both physical and mental health, considering it the cornerstone of work-life balance. Encouraging all employees to cultivate a healthy work-life balance, our goal is to foster a work style that enables them to bolster their health while maintaining high levels of productivity.

Gym

Prioritizing the physical wellbeing of our employees, ISL has established a fully furnished and well-equipped gym, complete with hot shower facilities, at our manufacturing facility. This gym is diligently maintained by professional trainers who not only oversee the facility but also provide guidance to employees during their workout sessions.

Compensation and Benefits

Our company consistently evaluates and benchmarks our compensation plans against industry leaders. We regularly conduct salary surveys to ensure competitive remuneration and annual increments.

Our comprehensive compensation packages encompass various components such as annual performance bonuses, the Workers Profit Participation Fund, Provident Funds, and Gratuity Funds. We offer comprehensive health plans, life insurance, mobile phone provisions, company-maintained vehicles, and fuel allowances.

To enhance work-life balance and provide necessary respite, we offer a range of leave options, including annual, sick, casual, and maternity leaves, catering to the diverse needs of our employees.

Employee Surveys

ISL conducts routine, anonymous employee surveys to gauge their sentiments and opinions. Upon completion, our HR team meticulously analyzes the results, preparing comprehensive subjective and objective reports.

Subsequently, departmental meetings are organized to discuss both positive and negative feedback, facilitating a platform for corrective measures to be taken.



Diversity and Inclusion

ISL is an equal opportunity employer and believes in empowering people by respecting and appreciating what makes them different, in terms of age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin. It is also made certain that contributions, presence and perspectives of diverse groups of people are valued and integrated well.

Over the years our strength of female workforce has increased, and we continue to develop roles in the company that are gender neutral.

Training and Development

ISL offers different in-house and external trainings to help employees get the relevant knowledge and skills to improve performance in their current job roles, in all departments and units. The development plans at ISL expansively focus on the professional growth of employees.

Gender Equality

ISL aspires to stand out as the preferred employer among Pakistan's vast talent pool, actively striving to attract and retain employees of all genders and age groups. Our endeavor includes striving for a balanced representation of women within the workforce. As a prominent industrial manufacturer situated on the outskirts of the city, the company extends transportation services to all female employees working at our manufacturing facility.

Over the years, ISL has been progressively witnessing a rise in female employees within management roles in the Company. These accomplished women contribute across a wide spectrum of functions spanning HR, finance, sales, marketing, I.T, supply chain, procurement, planning engineering, and production.

Within the ASC Group, our unwavering commitment lies in fostering a culture of inclusivity and diversity, ensuring that every individual is provided an equal chance to excel. International Steels Limited, International Industries Limited, and Pakistan Cables came together to celebrate International Women's Day 2023 with profound enthusiasm on March 8th. The event revolved around the theme "Embrace Equity," spotlighting the significance of cultivating an inclusive and diverse workplace where each individual is esteemed and empowered. We wholeheartedly pledged to persistently advance our efforts in creating equitable work environments.



Safety Awareness and Practices

ISL dedicates substantial efforts to ensure a workplace that prioritizes safety and minimizes the risk of injuries for both employees and visitors. This commitment is upheld through our OHS&E (Occupational Health, Safety, and Environment System), meticulously managed by the HSE Department.

The program operates on defined reporting parameters that effectively curtail behaviors that might lead to adverse incidents. By fostering a sense of collective responsibility, our HSE initiative cultivates a safe environment with minimal hazards. The factory floors and offices prominently display clear, large illustrations detailing safety measures, protocols, exit routes, and cautionary signs.

As an integral aspect of daily work routines, employees embrace safety as a fundamental mindset. Prior to commencing work, individuals are mandated to don appropriate protective gear relevant to their job roles, encompassing safety gloves, goggles, and ear protectors.

Additionally, designated safety pathways within the factory premises ensure secure movement. Expert consultants are engaged to continually assess safety practices and protocols, while our workforce receives regular training from industry specialists to embed safety practices across all teams.

In various company locations across Pakistan, first aid training and fire drills were conducted during this period. These sessions effectively demonstrated the procedures to follow in the case of fires or health emergencies. Specialized activities that involve potential risks, such as working at heights, mandate a "permit to work" or safety clearance to guarantee the implementation of adequate safety measures.

Recent periods witnessed comprehensive first aid training and fire drills conducted at multiple locations across our operations in Pakistan. These exercises not only familiarize our employees with crucial emergency protocols but also provide them with the knowledge and confidence to act effectively during fire or health emergencies.

For specialized activities that inherently carry potential risks, such as work at heights, we enforce a mandatory safety clearance or "permit to work" protocol. This stringent requirement underscores our unwavering commitment to guaranteeing that robust safety measures are effectively implemented.



ISL dedicates substantial efforts to ensure a workplace that prioritizes safety and minimizes the risk of injuries for both employees and visitors. This commitment is upheld through our OHS&E (Occupational Health, Safety, and Environment System), meticulously managed by the HSE Department.

Data Collection

Throughout all the COVID-19 waves, meticulous data regarding vaccinations and recoveries was diligently collected by the company. We are proud to have achieved a 100% vaccination rate among our employees to date.

Logistics Safety Measures

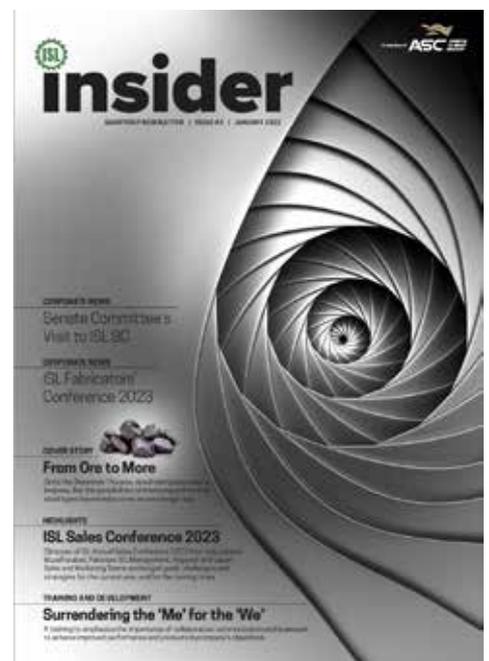
Our product information and HSE standards encompass comprehensive instructions for the secure handling of products, significantly reducing the risk of injuries during material transit and transportation.

ISL Insider - Newsletter

ISL Insider is a vibrant chronicle of updates, insights, and stories from the heart of International Steels Limited. With a legacy of three published issues, this newsletter stands as a testament to our commitment to transparent communication and engagement with our employees and valued stakeholders.

Each edition encapsulates a tapestry of experiences, ranging from the strides we've taken in innovation and sustainability to the remarkable achievements of our dedicated workforce.

The ISL Insider Newsletter not only captures the pulse of our dynamic journey but also serves as a platform to share the remarkable accomplishments, industry trends, insights, and our collective vision for the future. As we continue to evolve and grow, this newsletter remains an ever-reliable window into the world of ISL – where progress, people, and purpose converge.



Fostering Inclusivity, Embracing Equity

International Steels Limited Celebrates International Women's Day 2023

Diversity and inclusivity have always been fundamental values at International Steels Limited. On March 8, 2023, this commitment materialized in a vibrant celebration as Amir Sultan Chinoy Group Companies, comprising International Steels Limited, International Industries Limited, and Pakistan Cables, came together with great enthusiasm to commemorate International Women's Day 2023. The event encapsulated the essence of "Embrace Equity," underscoring the importance of a diverse and inclusive environment where each person is embraced, valued, and empowered.

The event resounded with inspiring keynotes delivered by distinguished figures, including Mr. Samir M. Chinoy, the Director and Chief Operating Officer of ISL, Mr. Sohail R. Bhojani, the CEO of IIL, and Mr. Fahd Chinoy. Their voices echoed a resounding call for gender equality and inclusivity, underscoring that the responsibility of achieving these goals rested on all. Various other members of the Management Committee to voice their perspectives and commitments on this vital occasion.

The celebration of International Women's Day serves as a reminder of our collective responsibility to "Embrace Equity," celebrate the accomplishments of women, and collaboratively construct a world where diversity and inclusivity are the cornerstones of progress.

At ISL, we understand that the pursuit of gender equality isn't a fleeting endeavor; it's a continuous voyage. The unwavering dedication exhibited by the Amir Sultan Chinoy Group Companies is a reminder that we all play a role in crafting a future where the potential of every individual, irrespective of gender, is made possible.



Customers



Customers

Customer-Centric Approach

At ISL, our customers reside at the heart of our value system. More than just clients, they are collaborative partners who have significantly shaped our journey to success. Our extensive array of domestic and international customers serves as the foundational support for our accomplishments.

A Collaborative Endeavor

Every facet of our organization, spanning product development, planning, production, quality assurance, service centers, information technology, as well as sales and marketing, operates in harmonious synergy to transcend customer expectations. This involves providing value-added services and unwavering after-sales support to both our industrial and commercial clientele. By comprehending the intricacies of their businesses and fulfilling their distinct needs, we cement our position as dedicated collaborators.

Customer Awareness

ISL's sales and marketing team plays a pivotal role in crafting strategies that blend information and engagement, championing our brand, enhancing awareness, and catalyzing the sales of our products and services. Our sales teams actively engage customers through regular visits, participation in expos, seminars, events, and exhibitions. Furthermore, marketing collaterals are readily accessible on our website, ensuring the effortless spread of vital information. In cases of necessity, quality certifications are promptly extended to customers.

Transparent Pricing

Exemplifying our customer-centric philosophy, ISL upholds the highest level of transparency in our product pricing. Thorough price lists for our cold-rolled, hot-dip galvanized, and color-coated steel products are meticulously shared with our customer base.

Furthermore, the presence of our regional offices nationwide underscores our dedication to swift feedback, guaranteeing seamless follow-up and timely resolution of purchase-related inquiries or concerns.



After Sales Support

ISL places paramount emphasis on cultivating open lines of communication with our customers. This dedication is substantiated by our regional and international sales teams, who provide comprehensive customer support. This assistance encompasses meticulous complaint recording and resolution through our dedicated Quality Management System and Complaint Handling Teams.

Customer Engagement

To fortify customer relationships, foster brand loyalty, and amplify awareness about our products and services, we regularly orchestrate corner meetings across diverse cities. These gatherings facilitate interactions between customers, end-users, and ISL's management, fostering dynamic discussions and insights. Moreover, we offer virtual tours through our corporate video and presentation, granting fabricators an in-depth comprehension of our operations. To cement customer relationships, we organize events such as iftars, lunches, and dinners. Throughout the year, our sales teams actively distribute a variety of giveaways, reinforcing our gratitude for their unwavering support.

ISL Customer Portal

As an organization deeply committed to enriching customer experiences, we proudly introduce the ISL Customer Portal – a pivotal advancement in our customer-centric approach.

This digital platform serves as a singular gateway, offering customers seamless access to products, ledgers, and other transactional details. Featuring a personalized and secure interface, the ISL Customer Portal safeguards sensitive information through username and password protection. Through this application, our valued customers can effortlessly place orders, access ledger information, and execute various functions from their offices or homes via computer systems or smartphones. It provides a comprehensive overview of orders and transactional data, enhancing transparency and convenience.

Accessing ISL Customer Portal is both seamless and secure through a dedicated weblink, elevating the overall customer experience.



International Expos and Exhibitions

The Big 5 Exhibition - Dubai World Trade Center International Building and Construction Show

The Big 5 International Building and Construction show in Dubai stands for innovation, progress, and collaboration within the construction industry. Each year, this esteemed event gathers a global congregation of industry leaders, exhibitors, and visitors, all driven by a shared aspiration – to collectively build a better tomorrow. Against this dynamic backdrop, International Steels Limited (ISL) seized the opportunity to showcase its prowess and offerings at The Big 5, reinforcing its commitment to driving innovation and excellence within the construction sector.

In December 2022, the trade show hosted 2,000 exhibitors from 60 nations and welcomed 66,494 qualified visitors from over 150 countries, all united by a shared ambition – to shape a better future. International Steels Limited made its presence felt at The Big 5 International Building and Construction show in Dubai, effectively showcasing its array of products and services to the construction sector. The event spotlighted the company's diverse steel offerings and highlighted its prowess in flat steel manufacturing and value-added products.

Participation in The Big 5 underscores its reputation as a premier event within the construction domain. It furnishes a vital platform for forging connections with potential clients and partners, while also keeping abreast of cutting-edge industry trends and innovations.



International Expos and Exhibitions

Project Qatar - Doha, Qatar

International Construction Technology and Building Materials Exhibition

International Steels Limited marked its presence at the esteemed Project Qatar Exhibition held in Doha. Our Export Sales team engaged and established connections with potential partners hailing from both Qatar and beyond. This notable participation transpired at the 19th edition of Project Qatar – an influential International Construction Technology and Building Materials Exhibition, graciously hosted in the dynamic city of Doha, Qatar, from June 06 to 09, 2022.

Project Qatar occupies a paramount role within Qatar's construction industry, magnetizing a convergence of industry leaders, suppliers, and discerning buyers. More than a mere gathering, this event stood as an intersection of expertise, insights, and uncharted possibilities.

Our participation at Project Qatar was fundamentally rooted in our aspiration to forge connections, foster collaborations, and contribute actively to the global dialogue on the transformative strides shaping the future of construction. By showcasing its products and services during the exhibition, ISL positioned itself at the forefront of progress within the industry.



ISL EXHIBITS AT PROJECT QATAR, DOHA



Domestic Exhibitions and Conferences

Pakistan Auto Show 2022

Trade exhibition dedicated for Pakistan's automotive Industry

International Steels Limited participated at the largest exhibition and gathering of leading automakers, parts manufacturers, suppliers and auto service providers from all over the country.

The Pakistan Auto Show 2022, presented by the Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM), is a premier exhibition of automobiles in the country. It took place on July 29th, 30th, and 31st, 2022 at the Expo Centre Lahore, showcasing the latest and greatest developments and products in automotive technology from over 3000 large, medium and small industries from all across Pakistan.



ISL Fabricators' Conference 2023

Strengthening Relationships with Customers and End Users

In January and February 2023, the fourth and fifth chapters of the International Steels Limited (ISL) Fabricators' Conference were held in Karachi and Faisalabad. This collaborative event, organized by ISL Marketing, South and Central Sales Team, aimed to promote product awareness and strengthen customer relationships.



Shareholders



Shareholders

ISL aspires to be a model corporate citizen, by upholding and creating value for our shareholders. To ensure fair returns to our shareholders, our teams work hard to ensure maximum value is generated for our shareholders.

Quarterly and Annual Reports

The company prepares and disseminates periodic performance reports in compliance with the law. These reports provide an accurate and detailed insight into company's performance, challenges, and the outlook for the future.

These reports are disseminated to the shareholders electronically. The reports are also available at International Steels Limited's website: www.isl.com.pk



Board of Directors

International Steels Limited's Board was elected in 2022 and comprises of distinguished professionals coming from diverse backgrounds. The Board's strategic direction serves as a guide for the management that leads to value creation for the shareholders.

Visit by the Senate Standing Committee

As a testament of collaboration between the public sector and the industrial realm, the Senate Standing Committee on Industries and Production visited ISL Service Center situated at the Bin Qasim Industrial Park, Karachi. This visit served as a platform for mutual exchange of insights, shedding light on the dynamics of the industrial sector.

ISL's CEO, Yousuf H. Mirza along with the other members of management, engaged the visiting senators and guests, providing them with a comprehensive overview of the company's operations and diverse product range. This visit also provided them the opportunity to witness the symbiotic relationship between innovation and production.

An undeniable highlight of the discourse was the emphasis placed on exports and the role they play in driving economic growth. Yousuf H. Mirza navigated through the complexities of global markets, highlighting ISL's commitment to becoming a formidable player in the international trade landscape. His insights elucidated how ISL's products transcend borders, contributing to both the company's prosperity and the nation's economic well-being.

The future also loomed large in the discussions, as the CEO expounded upon ISL's ambitious expansion plans. These plans are not merely confined to company growth; they intricately tie into the concept of import substitution. The visit bore witness to a blueprint for progress, where ISL endeavors to propel the nation towards self-sufficiency by producing products that were once reliant on imports.



Society





Society

At ISL, we seek to address some of the challenges that our society faces. Being a large-scale industrial manufacturer, we have been striving to play our role as an enabler and facilitator of human development through our operations.

Our corporate culture is driven by the inclinations of our founder, Mr. Amir S. Chinoy, towards being a staunch supporter of the local community. ISL makes its donations regularly to charitable causes either directly or through the Amir Sultan Chinoy Foundation (ASCF).

Policy	Donation
Donation Policy	ISL donates at least 1.5% of its profit after tax, towards social uplift and community welfare activities every year.
Total Amount of Donations in FY 2023-24	Rs. 55.6 Million

The Amir Sultan Chinoy Foundation

The Amir Sultan Chinoy Foundation is one of the oldest endowment institutions in Pakistan. It was established in 1968 by the name of "The Friendship Foundation" by Amir Sultan Chinoy according to the wishes of his father Sir Sultan Mehrally Chinoy. In 1980, the foundation was renamed as the Amir Sultan Chinoy Foundation. To this day the foundation continues to operate in line with the vision of Amir Sultan Chinoy who established the foundation for the advancement of education, learning, and industry in all its branches. Presently, ISL continues to contribute to the Amir Sultan Chinoy foundation (ASCF) which is mandated to focus on education, health and social uplift.

Education

Our group believes that if healthcare is the foundation of life, then education is the essential building block for a prosperous life.



Through our various programs in the last decade, over 11,000 children have gained a higher quality of education

Thalassemia Awareness Session and Blood Drive

ISL's dedication to corporate social responsibility was evident at the recent blood donation camp, held in collaboration with Afzaal Memorial Thalassemia Foundation.

On Thursday, September 15th, 2022, ISL team members came together at its manufacturing facility to make a positive impact on the community by donating blood.

Thalassemia is a genetic blood disorder that requires regular blood transfusions to manage. The support of blood donors is critical for individuals living with this condition, making events like this truly meaningful.

By participating in this camp, ISL and its employees are helping to ensure that those in need have access to life-saving blood transfusions. Together, we are supporting an enriching community and fulfilling our CSR commitment.



Environmental Responsibility

ISL is conscious of the ways our business activities can potentially impact the environment. Recognizing access to water and basic resources as a fundamental human right, the company takes various measures to reduce its impact on the environment. As Pakistan faces energy and clean water scarcity issues, we believe that our most direct and visible influence come from our environmental efficiencies. Although our raw materials, steel and zinc does not have a direct impact on environment, we believe in minimizing impact to the environment as a result of our operations. Most of the technologies and equipment in our operations are environmentally safe and compliant with international and national norms.

Environmental aspects are taken into consideration by us and are included in all our project costing and purchase processes. Also, all future investments are preceded by an environmental impact assessment.

Driven by the Clean, Lean and Green Approach, ISL strives to continuously adopt environment-friendly practices during its manufacturing processes. While embracing sustainable technologies, ISL strives to minimize its environmental impact through effective resource utilization, waste reduction and recycling of resources, as frequently as possible.

Clean Water and Sanitation

At ISL, we are committed to minimizing our environmental impact and ensuring access to clean water and sanitation. We recognize the importance of water and basic resources as fundamental human rights. To achieve this, ISL has been implementing various measures.

Effluent Treatment Plant:

To conserve the environment, ISL has installed an effluent treatment plant with a capacity of 600 m³/day. This plant effectively collects, neutralizes, and filters solvent-based waste generated during the manufacturing process. The treated water is discharged in compliance with The National Environmental Quality Standards.

- Sewage Treatment Plant:

ISL has also implemented a sewage treatment plant with a capacity of 90 m³/day. This facility treats all sewage from our operations. The treated water is reused for toilet flushing, landscape irrigation, and groundwater recharge, promoting sustainable water management.



- Reverse Osmosis (RO) Systems:

Our RO plants, with a combined capacity of 54 m³/day, ensure the removal of pollutants from well water. This purified water is then fully reusable within our facility, reducing our reliance on the city's main water supply system. The rejected water generated during the process is collected separately and treated by another RO plant with a capacity of 16 m³/day, making it reusable as well.

Acid Regeneration Plant (ARP):

To address the environmental concerns associated with the pickling process, ISL has an Acid Regeneration Plant. This facility recycles and reconditions hydrochloric acid (HCL) used to remove surface impurities from hot rolled steel coils. By reusing 98% of the acid, we minimize the direct disposal of spent acid and contribute to resource conservation.

At ISL, we continuously strive to improve our environmental practices and contribute to the goal of clean water and sanitation. We remain committed to sustainable water management and minimizing our impact on the environment through responsible operational practices.

Affordable and Clean Energy

ISL is committed to promoting affordable and clean energy solutions. We actively recover waste heat generated from our operations and utilize it for various purposes, contributing to energy efficiency and sustainability.

- Heat Absorption Chiller:

We employ a heat absorption chiller system that harnesses waste heat to generate chilled water for air-conditioning purposes. By utilizing this waste heat, we reduce the energy consumption required for cooling, making our operations more efficient and environmentally friendly.

- Steam Boiler:

To further maximize the use of waste heat, we employ a steam boiler that utilizes heat from exhaust gases to generate steam. This steam is then utilized in various operations within our facility. Additionally, we have implemented a 1.2 Mega Watt steam turbine that harnesses the power of the steam to generate electricity.

By harnessing waste heat and utilizing it effectively, we not only reduce our reliance on external energy sources but also contribute to the generation of clean energy.



Our commitment to affordable and clean energy drives our efforts to maximize energy efficiency and minimize our carbon footprint.

Climate Action

The company regularly organizes beach cleaning activities and plantation drives throughout the year. These activities aim to raise awareness among employees about the impact of green measures on the climate and the environment.

By engaging in beach cleaning and tree plantation, ISL actively contributes to preserving natural ecosystems and mitigating the effects of climate change.

In February 2023, ISL dedicated a day to educate families about the importance of eradicating deforestation, combating climate change, and improving the water table through tree plantation.

As part of this initiative, the company distributed over 5,000 Moringa Tree seeds and growing kits to families and children. These kits included terracotta pots, care guides, and potting material, enabling individuals to participate in tree planting and nurture the growth of useful native tree species.

This effort not only supports environmental conservation but also encourages community engagement and awareness about climate action. ISL has implemented an in-house co-generation power plant to address the energy shortage. This power plant, fuelled by natural gas and consisting of eight generators, generates 25 Mega Watts of power through co-generation.

By utilizing this power plant, ISL meets its energy requirements for the steel complex while also supplying surplus electricity to the national grid. This approach helps reduce the reliance on fossil fuels and promotes the use of more sustainable energy sources, contributing to climate action and reducing greenhouse gas emissions.

Responsible Consumption and Production

At ISL, we strive to maximize shareholder value and uphold highest standards of transparency and openness, while assuming the most stringent level of corporate governance.

Our organizations support price transparency by providing a single yet comprehensive country price list that is shared with all our customers. ISL invests in considerable efforts in providing a safe and injury free workplace for its employees and visitors to the company.



The company has engaged various consultants to assess the safety of the company facility, and inculcate the culture of safety in the company's teams.

ISL's HSE department has encourages awareness and consciousness of implementing safe work practices. In order to inculcate a safety culture, the company has conducted several safety awareness trainings to ISL employees that create a safety mindset at the grass root levels.

This HSE program enhances the sense of responsibility for keeping the workplace safe and with minimal or no hazards.

Our sales and marketing collaterals provide detailed accounts of safe handling of products, thereby reducing the chances of transit-related injuries.

ISL is certified by Lloyd's Register Quality Assurance Limited (LRQA) for:

ISO 9001:2015, Quality Management System
ISO 14001:2015, Environmental Management System
ISO 45001:2018, Occupational Health and Safety

ISL also holds certifications for CE, RoHS, and REACH.

These certifications demonstrates our commitment to providing high-quality products that meet stringent EU standards. We also comply with the Restriction of Hazardous Substances Directive (RoHS), which restricts the use of certain hazardous substances in electrical and electronic equipment. Our adherence to RoHS guidelines ensures that our products are free from harmful substances, protecting both human health and the environment.

Furthermore, we are certified for compliance with the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation. REACH is a comprehensive regulation by the European Chemicals Agency (ECHA) that aims to ensure the safe use and management of chemicals in the European Union. Our certification demonstrates our commitment to responsible chemical management and our dedication to meeting regulatory requirements.

With these certifications, ISL reaffirms its commitment to delivering products that adhere to international standards for safety, environmental sustainability, and chemical management. We continuously strive to provide our customers with reliable and compliant solutions while minimizing our impact on the environment and promoting sustainable practices.



ISL - Plant for the Planet Activity

Empowering Environmental Consciousness At Citizens Archive of Pakistan (CAP) Carnival 2023

International Steels Limited (ISL) proudly sponsored the Citizens Archive of Pakistan (CAP) Carnival 2023. Carrying the theme of "ISL Plant for the Planet," ISL took the opportunity to educate attendees on the vital importance of combating deforestation, addressing climate change, and revitalizing the water table through the planting of native tree species.



Throughout the event, families and individuals were invited to engage in a day filled with enlightening discussions and interactive activities aimed at fostering environmental consciousness. ISL's passionate team members dedicated their efforts to conveying the message of environmental preservation to all who visited their booth.

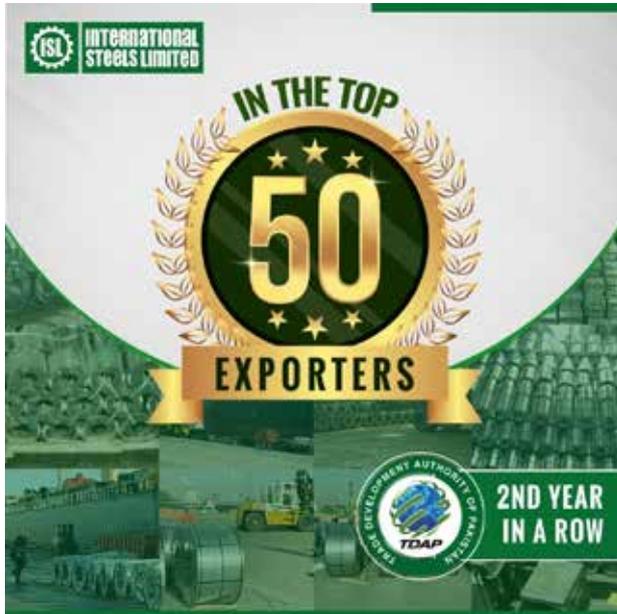
One of the highlights of ISL's participation was the distribution of over **500 Moringa Tree** growing kits to families and children. Each kit included an impressive assortment of **3,000 Moringa tree seeds, terracotta pots, detailed care guides, and potting materials**. The objective was to empower attendees to take proactive steps in their homes and communities to restore greenery and combat the adverse effects of deforestation.

The response from attendees, particularly the younger generation, exceeded all expectations. Their enthusiasm and commitment to creating a greener tomorrow were truly inspiring. Witnessing their eagerness to make a positive impact on the environment reaffirmed ISL's belief in the power of collective action and collaboration.

ISL remains firmly committed to its role as a responsible corporate entity and an advocate for sustainable practices. The company recognizes that by joining forces with organizations like The Citizens Archive of Pakistan and participating in events such as CAP Carnival 2023, meaningful progress can be achieved in creating a better, more sustainable future for all.

Awards and Recognition

Listing in TDAP Top 50 Exporters of Pakistan



In August 2022, ISL achieved a remarkable milestone by securing a place in the prestigious Trade Development Authority of Pakistan (TDAP) Top 50 Exporters list for the second consecutive year.

Listing in TDAP Top 50 Exporters of Pakistan



In September 2022, ISL received the "Export Performance Award" at the distinguished 45th Export Awards of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) for the fiscal year 2020-21. The honor was bestowed by His Excellency, the President of Pakistan, Dr. Arif Alvi, Aiwane-Sadar in Islamabad. Mr. Mustafa Khan, our esteemed General Manager of Sales and Marketing, graciously accepted the award on behalf of ISL.

PSX Top 25 Companies Awards



In September 2022, ISL was recognized by Pakistan Stock Exchange (PSX) among Pakistan's Top 25 Companies, for the fourth time in a row. These awards honor companies who have met and exceeded benchmark quantitative and qualitative criteria. The listed companies who win these awards are not only among the best-performing companies in Pakistan but are also comparable to the best-performing organizations internationally.

MAP's 37th Corporate Excellence Award



In October 2022, ISL won the "Corporate Excellence Award" in the "Engineering Category" for the fourth year in a row. These awards are organized by the Management Association of Pakistan (MAP). Former Finance Minister Miftah Ismail was the Chief Guest of the event and distributed awards among the winners.

Awards and Recognition

Asian Management Games 2022



Like the previous year, members of ISL participated in the Asian Management Games, organized by the Asian Association of Management Organizations (AAMO), and received appreciation shields for standing at the position of 2nd runnerup in the final round at the Management Association of Pakistan (MAP's) 37th Chapter of Corporate Excellence Awards, in October 2022.

Former Finance Minister Miftah Ismail was the Chief Guest of the event and distributed awards among the winners.

EFP Employer of the Year Awards FY-2021



In November 2022, ISL won 1st position in the Medium National Category at the "9th Employer of the Year Awards" for the year 2021. The event was organized by EFP (Employers' Federation of Pakistan) in Karachi and the Honorable Federal Minister Mr. Sajjad Hussain Turi, Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD), as the Chief Guest distributed the awards to the companies that demonstrated best practices in corporate management.

NFEH's 15th CSR Awards



In February 2023, International Steels Limited (ISL) was honored with three CSR awards at the NFEH's 15th Corporate Social Responsibility Summit – 2023.

As a socially responsible organization, ISL is committed to creating a positive impact on society through our CSR initiatives for environmental sustainability. We are grateful for the recognition from the National Forum for Environment and Health, which has been instrumental in encouraging and promoting sustainable practices among companies through its CSR Summit Awards.

The event was held in Islamabad, and we feel humbled to have won in the categories of Community Development and Services, Education and Scholarship, and Rehabilitation, for the third consecutive year. Honourable Chief Guest, Mr. Ahsan Iqbal Chaudhary, Minister of Planning, Development, and Special Initiatives, for conferring us with these awards, which were received by Ms. Sana Razzak, from ISL's HR Department, on behalf of our company.

Corporate Governance



Board of Directors' Profile

Mr. Kamal A. Chinoy

Non-Executive Director

Since: September 3, 2007

Mr. Kamal A. Chinoy is a graduate of Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Currently, he is Chairman of International Industries Limited, International Steels Limited, IIL Americas Inc. and IIL Construction Solutions (Pvt) Ltd., and Director of IIL Australia Pty Ltd. He has served as Chairman of the Aga Khan Foundation (Pakistan) and Jubilee Life Insurance Co, and also as a Director of Pakistan Centre of Philanthropy, Atlas Insurance Limited, Pakistan Security Printing Corporation, NBP Fullerton Asset Management Limited, Atlas Battery Ltd, ICI Pakistan Limited, Askari Bank Limited, First International Investment Bank, and Atlas Power Limited.

He also served as CEO of Pakistan Cables Ltd for 27 years. He was an instrumental part of the team that negotiated the exit of BICC from the ownership of the Company in the early 1990's. Then in 2010 he lead the effort to attract General Cable, a Fortune 500 company, as an equity investor in PCL.

Mr. Kamal A. Chinoy is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP). He has also served on the Admissions Committee of Aga Khan University and the Alumni Admissions Committee for the University of Pennsylvania. He has also been a member of the Board of Governors of Army Burn Hall Institutions.

He has been a member of the Pakistan-UK Forum for Investment and Technology (under the Board of Investment, GoP) and the Experts Advisory Group for Engineering Goods for the Fifth Five Year Plan for the Government of Pakistan.

Mr. Yousuf H. Mirza

Chief Executive Officer

Since: August 14, 2015

Mr. Yousuf Husain Mirza was appointed as the Chief Executive Officer w.e.f. August 14, 2015. Before appointment as CEO, he was the Chief Operating Officer of International Steels Limited since August 2013. Prior to joining ISL, he served as Managing Director of Linde Pakistan Limited, and served in various senior management assignments with group subsidiaries in the Philippines, Malaysia and South East Asia for over ten years.

He has a graduate degree in Mechanical Engineering from NED University of Technology and also has an MBA from the Institute of Business Administration Karachi.

He has also attended management development programs at Said Business School, University of Oxford, INSEAD and at NanYang Technological University, Singapore. Currently he is Director of IIL Americas Inc., German Pakistan Chamber of Commerce and Industry, Employers Federation of Pakistan, Pakistan Japan Business Forum and Engineering Development Board, Ministry of Industries, Government of Pakistan.

Dr. Amjad Waheed, CFA**Independent Director**

Since: September 25, 2019

Dr. Amjad Waheed holds a Doctorate in Business Administration with a major in Investments and Finance from Southern Illinois University, USA and is also a Chartered Financial Analyst (CFA). Since inception of the company (eighteen years ago), Dr. Amjad Waheed is the Chief Executive of NBP Fund Management Limited ('NBP Funds'), which is a subsidiary of National Bank of Pakistan and Baltoro Growth Fund as the other joint venture partner. NBP Funds is presently managing Rs.266 billion (as of July 07, 2023) of investors' money. NBP Funds is one of the largest and highest rated Asset Management Company in Pakistan.

Before joining NBP Funds, Dr. Amjad Waheed was Head of Equity Mutual Funds & Portfolios at Riyadh Bank, Saudi Arabia, for about five years where he was managing USD 7.5 billion invested in 22 mutual funds. Prior to that he was Head of Investments at NIT, and Chief Operation Officer of FC-ABN AMRO Equities for several years.

Before moving back to Pakistan, Dr. Amjad Waheed was Assistant Professor of Finance at Tennessee State University, USA and he has published several articles in top journals of the world such as Journal of Banking & Finance and Financial Management.

Dr. Amjad Waheed has served or is serving on the boards of various companies including Siemens (Pakistan), Nishat Mills, PICIC, Askari Bank, Millat Tractors, Fauji Fertilizer, Pakistan Tobacco, Institute of Financial Markets of Pakistan (IFMP), Mehran Sugar, Gul Ahmed, Management Association of Pakistan (MAP), BankIslami, LRBT, Telenor Microfinance Bank, and International Steels. He has also served as the Chairman of Mutual Fund Association of Pakistan (MUFAP).

Mr. Haroun Rashid**Non-Executive Director**

Since: April 5, 2021

Mr. Rashid is a Fellow Member of The Institute of Chartered Accountants in England and Wales, London. Besides holding this office, Mr Rashid has also served in senior positions of several prestigious organizations. He has vast international and local experience in banking, investments and industrial ventures to his credit. His extensive portfolio includes being Managing Director for ANZ Securities Asia Limited, Hong Kong and Kashmir Edible Oils Limited, Pakistan as well as Assistant Director at Grindlays Brandts Limited, London. He has held the position of Director at Financial Executives Institute, Hong Kong, Union Bank Limited, Pakistan and was a Director of Pakistan Cables Limited for nearly three decades. He has also served as the Chairman of All Pakistan Solvent Extractors Association, Governor of Lahore General Hospital and on the Board of Public Procurement Regulatory Authority (PEPRA). Currently he is also serving as the Chairman of MCB Investment Management Ltd, one of Pakistan's leading asset management companies.

**Mr. Mustapha A. Chinoy****Non-Executive Director**

Since: August 15, 2018

Mr. Mustapha A. Chinoy is a B.Sc. in Economics from Wharton School of Finance, University of Pennsylvania, USA with majors in Industrial Management and Marketing. Upon return from United States, he took up the position of Marketing Manager at International Industries Ltd. He is currently the Chairman of Pakistan Cables Ltd., Travel Solutions (Pvt) Ltd., Global E-Commerce Services (Pvt.) Ltd., Global Reservation (Pvt.) Ltd. and Binary Vibes (Pvt) Ltd. He is the Chief Executive of Intermark (Pvt.) Ltd. He has previously served on the Boards of Union Bank Ltd and Security Papers Ltd.

Ms. Nausheen Ahmad**Independent Director**

Since: September 25, 2019

Nausheen Ahmad is a Barrister at Law and an Advocate of the Sindh High Court. She practices corporate and commercial law in Karachi. She retired as General Counsel of ICI Pakistan Limited. Having spent over three decades in the corporate sector, Nausheen brings with her a tremendous amount of experience and expertise in the legal field, as well as proven leadership skills. She held the position of Legal Counsel at Pakistan Petroleum Ltd, Unilever Pakistan Ltd, and spent 12 years at HBL as the Company Secretary and Head of Legal.

Nausheen has an LLM degree from the University of London, an LLB from Kings College London, and a degree in the Philosophy of Religion from Kings College London. She was called to the Bar from the Honourable Society of Gray's Inn, London and is registered as an Advocate of the Sindh High Court. Nausheen was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK, and recently completed a certificate in Negotiation and Conflict Resolution from Harvard Law School.

With her strong interest in Corporate Governance and Training, Nausheen has been undertaking Directors Certification trainings with the Institute of Business Administration (IBA) and teaches at the Karachi School of Business and Leadership.

Mr. Nihal Cassim**Independent Director**

Since: September 25, 2019

Nihal Cassim is the Chief Executive of Ubiquity Trading Limited (previously Safeway Fund Limited), a former Asset Management Company that managed two equity funds listed on the PSX. Before taking up this position, he was engaged in his own corporate finance practice in Pakistan and concluded various assignments, including advisory services to the sellers of Crescent Leasing and certain sellers of PICIC, including NIT. In Canada, Nihal was Vice President and Head of small-cap Investment Banking for First Associates (now Blackmont Capital, a CI Financial Company), where he conducted several transactions in MandA, equity financing, and corporate finance advisory. Prior to this, Nihal was responsible for the corporate development of TVX Gold Inc. and was involved in its \$4 billion merger with Kinross Gold. He began his investment banking career at HSBC Securities, Canada.



Nihal is an MBA (Finance and MIS) from McGill University. He is currently a Director on the Boards and Audit Committees of Ubiquity Trading Limited, The Organic Meat Company Limited, and National Institutional Facilitation Technologies (Pvt) Limited (NIFT) and its subsidiaries. Nihal has served two terms as a director on the Board of Mutual Funds Association of Pakistan. He takes particular interest in facilitating the development of the capital market and the protection of minority shareholders through improvements to the regulatory framework.

Mr. Samir M. Chinoy

Executive Director / Chief Operating Officer

Since: September 27, 2016

Mr. Samir M. Chinoy is the Chief Operating Officer of International Steels Ltd. He is a graduate of Babson College, USA with a Bachelor's of Science in Finance and Entrepreneurship and a minor in Human Communication. Prior to International Steels Limited Mr. Chinoy worked at Pakistan Cables, Deloitte and Touché, New York and Foothill Capital (A Wells Fargo Company), Boston. Mr. Chinoy has served on the management committee of Landhi Association of Trade and Industry and has held the position of Vice Chairman. In addition to being the Chairman, of the Amir Sultan Chinoy Foundation he is a director of Pakgen Power Ltd., Intermark (Pvt) Ltd., Haball (Pvt) Ltd. and ILL Australia Pty Ltd. Mr. Chinoy is a certified Director from the Pakistan Institute of Corporate Governance.

Mr. Shuji Tsubota

Non-Executive Director

Since: May 19, 2021

Mr. Shuji Tsubota is presently the General Manager at the International Steel Sheet Business Department of the Sumitomo Corporation, Japan, and has 30 years of diversified experience of working in Metal Product Business Divisions including International Trading of Steel Sheet and Tubular products for Automotive Industries and Safety and Total Quality Management. He also has international experience of working as Director Sales / Managing Director at the Steel Center Europe, Czech Republic.

List of Other Directorships

Name	Other Business occupation and directorship (if any)
Mr. Kamal A. Chinoy	IIL Americas Inc. IIL Australia Pty Ltd. IIL Constructions Solutions (Pvt) Ltd. International Industries Limited Pakistan Business Council Pakistan Cables Ltd.
Dr. Amjad Waheed	NBP Fund Management Ltd. Telenor Microfinance Bank The Layton Rahmatulla Benevolent Trust (LRBT)
Mr. Haroun Rashid	MCB Investment Management Ltd.
Mr. Mustapha A. Chinoy	International Industries Ltd. Pakistan Cables Ltd. Binary Vibes (Pvt) Ltd. Bridge Vue Solutions DMCC Global e-Commerce Services (Pvt) Ltd. Global Reservation (Pvt) Ltd. Global Travel Services Ltd. BVI Trave Tech Solutions Travel Solutions (Pvt) Ltd. Intermark (Pvt) Ltd.
Ms. Nausheen Ahmad	Engro Powergen Qadirpur Ltd Jubilee General Insurance Company Ltd. Meezan Bank Ltd. Descon Engineering Limited
Mr. Nihal Cassim	National Institutional Facilitation Technologies (Pvt) Ltd. NIFT Khazana eTrust (Pvt) Ltd. The Organic Meat Company Ltd. Ubiquity Trading Ltd. Image Systems Marketing (Pvt) Ltd. Jinnah Foundation
Mr. Samir M. Chinoy	Amir Sultan Chinoy Foundation Haball (Pvt) Ltd. IIL Australia Pty Ltd. Intermark (Pvt) Ltd Landhi Association of Trade & Industries Pakgen Power Limited
Mr. Shuji Tsubota	-
Mr. Yousuf H. Mirza	Employers Federation of Pakistan German Pakistan Chamber of Commerce and Industry IIL Americas Inc. Engineering Development Board, Ministry of Industries, Govt. of Pakistan Pakistan Japan Business Forum

Governance Framework

The main philosophy of business followed by the sponsors of International Steels Limited for the last many decades has been to create value for all stakeholders through fair and sound business practices, which translates into policies approved by the Board and implemented throughout the company to enhance the economic and social values of all stakeholders of the company.

Our governance strategy is to ensure that the Company follows the direction defined by its core values, current regulatory framework, and global best practices. Our approach towards corporate governance ensures ethical behavior, transparency and accountability in all that we do and to attain a fair value for the shareholders.

Compliance Statement

The Board of Directors has, throughout the year 2022-23, complied with the Companies Act, 2017, Code of Corporate Governance Regulation 2019, Rule Book of the Pakistan Stock Exchange Limited and the Corporate Financial Reporting Framework of Securities and Exchange Commission of Pakistan (SECP).

The Directors confirm that the following has been complied with:

- a) Financial statements have been prepared which fairly represent the state of affairs of the company, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departures therefrom have been adequately disclosed and explained.

- e) The system of internal control is sound in design and has been effectively implemented and monitored. The Internal Audit function is led by the Chief Internal Auditor supported by in-house staff.
- f) There are no significant doubts about the company's ability to continue as a going concern.
- g) There is no material departure from the best practices of Corporate Governance as per regulations.

The Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skills in various professions, with the leadership and vision to provide oversight to the company.

The Board is headed by Mr. Kamal A. Chinoy, a non-executive Chairman and out of the 8 elected Directors, 3 are Independent Directors including 1 female Director. The current Board composition reflects a good mix of experience and diversity in backgrounds, skills and qualifications. All Directors have years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present six (6) Directors have attended the formal Directors Training Certificate programs while two Directors possess sufficient skills and experience of the Board room as described in the Code of Corporate Governance.

In compliance with Clause 7 of the Companies (Code of Corporate Governance) Regulations, 2019 a female Director was elected at the last election of the Board of Directors at the 15th Annual General Meeting in September 2022.



A digital interface is being used to update the Board of Directors by providing the Companies Act, 2017, Companies (Code of Corporate Governance) Regulations, 2019, relevant portions of the PSX Rule Book, the Company's Memorandum & Articles of Association and various policies and procedures.

To further its role of providing oversight and strategic guidelines to the company, the Board has formulated a Board Charter to define its role of strategic leadership and provide oversight to the management. The Board has constituted an Audit Committee and Human Resources & Remuneration Committee. The composition, role and responsibilities of the Committees are clearly defined in their respective Terms of References.

Annual Calendar and Agenda for Meetings

A meeting calendar is issued annually to reflect the dates planned for the Board, Audit and HR&R Committees. All the Board members are given appropriate documents through Diligent Board application in advance of each meeting which normally includes a detailed analysis of business and matters, where the Board will be required to make a decision or give its approval.

During the year 2022-23, the Board had seven (7) meetings, out of which four (4) were held to review and approve the financial results, one (1) meeting was held to approve the budget for the ensuing year, one (1) meeting was held after the election of the Board of Directors for the appointment of the Chairman, re-appointment of the CEO and re-constitution of the Board Committees and one (1) meeting was held to approve interim cash dividend and to increase the authorized share capital. The average attendance of the Directors in Board meetings during the year was 97%.

Changes in the Board

At the 15th Annual General Meeting of the Company on September 29, 2022, eight (8) Directors were

elected for a term of three (3) years. During the year 2022-23, no casual vacancy was created.

Board Meetings Outside Pakistan

During the year 2022-23, no Board meetings were held outside Pakistan.

Roles and Responsibilities of the Chairman and Chief Executive

The Board of Directors provides the overall direction for the Company operations and provides oversight for various policies and monitors the management in the light of operational and financial plans. The roles of the Board and the Chief Executive Officer have been clearly defined where the Board is responsible for strategic guidance and providing directions for sustainable business.

The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and presides over all Board Meetings. The Chief Executive performs his duties under the powers vested by law and the Board. He recommends and implements the business plans and is responsible for the overall control and operation of the Company.

Business Philosophy & Best Corporate Practices

We believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders, and the best practices of Corporate Governance to ensure success and better results for all stakeholders.

The Board Charter defines the scope of the Board's activities in setting the tone at the top, formulating strategies, and providing oversight to the management for sustainable growth of the business. The Board members actively participate in the meetings to guide the company's business activities, operational plans, review corporate operations and formulate and review all significant policies. The Board firmly adheres to the best ethical practices and fully recognizes its responsibilities for

the protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations. The Chairman ensures that the discussions held during the Board meetings and the consequent decisions arising are duly recorded and circulated to all the Directors within fourteen (14) days. The CFO and the Company Secretary attended all the meetings of the Board as required by the Code of Corporate Governance, save for a meeting each for which they were excused by the Board.

All periodic financial statements and other working papers for the consideration of the Board/Committees are circulated to the Directors well in advance of meetings to allow them sufficient time to make informed decisions. This year, the Board held seven (7) meetings, the agendas of which were duly circulated through the Diligent Board application at least one week in advance of the meetings, except for one emergent meeting that was held during the year for which the notice period was waived by the Board.

Timely Communication of Financial Results

The quarterly unaudited financial statements and the half yearly financial statements (with limited review by the Auditors) were duly circulated within thirty (30) days and sixty (60) days respectively along with the Directors' Report. Annual financial statements were authorized by the Board of Directors and communicated to the Pakistan Stock Exchange within fifty-three (53) days from the close of the financial year. Additionally, all important disclosures, including the financial statement, were also made available on the Company's website to keep the stakeholders duly informed.

Board Evaluation

The Board of Directors has formulated a policy to evaluate its own performance. The salient features of which are as follows:

1. The Board Evaluation Methodology to be adopted as a self-evaluation of the Board as a whole through an agreed questionnaire.
2. The evaluation exercise is to be carried out every year.
3. The evaluation system is designed to address areas of critical importance and should include, but not limited to, the following:
 - a Appraising the basic organization of the Board of Directors.
 - b The effectiveness and efficiency of the operation of the Board and its sub-committees.
 - c Assess the Board's overall scope of responsibilities.
 - d Evaluate the flow of information; and
 - e Validate the support and information provided by management.
4. The Board would review the results and suggest measures to improve the areas identified for improvement. The Board is continuing its self evaluation since many years and has identified areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the management.

Directors Remuneration Policy

A formal policy to review and approve the remuneration of non-executive directors is well in place. The Company believes in remunerating its non-executive directors and Chairman adequately to justify their continued quality guidance and contributions to the Company's objectives, good corporate governance, and sustained long-term value creation for shareholders while maintaining their independent status.



Risk Management

Risk management is critical to any business, which includes identification and assessment of various risks and their mitigation to control and minimize the impact of such risks and maximize the realization of opportunities. The management has developed a dynamic risk register covering financial and operational risks and their mitigation plans which are subject to periodical review. A dedicated Board Audit Committee meeting was held during the year for a detailed discussion on business, financial and operational risks.

Internal Control Framework

The Company maintains an established control framework comprising clear structures, authority limits, accountabilities, well understood policies and procedures. All policies and control procedures are documented in manuals. The Board establishes corporate strategy and the Company's business objectives.

The Board Audit Committee has been entrusted with the main responsibility of Internal Controls. The Audit Committee reviews the audit reports from the Internal and External Auditors, and after detailed deliberations, these periodic reports are submitted to the Board of Directors. The Company places a high value on transparency, both internally and externally, in its corporate management. It continually focuses on the implementation of efficient management practices.

The Head of Internal Audit is being assisted by in-house executives. The Management has placed an explicit internal control framework with clear structures, authority limits, accountabilities, well defined policies, and detailed procedures, enabling the Audit Committee and the Board to have a clear understanding of risk areas and to place effective controls to mitigate these risks.

Disclosure of Conflict of Interest

The Company has taken measures to prevent conflict of interests between directors, employees,

and the Company. In this regard, a clear policy on conflict of interests is contained in the Code of Conduct duly approved by the Board of Directors which is placed on Page No.31.

As per the Code of Corporate Governance, the Company annually circulates the Code of Conduct and takes appropriate steps to disseminate it across all ranks in the Company. Further, the Directors and key employees are reminded to abstain from insider trading of shares and to refrain from dealing in shares during the closed period.

Every director is required to bring to the attention of the Board, complete details regarding any material transaction, which has a conflict of interest, for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters.

The complete details of all transactions with related parties are submitted to the Audit Committee who recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the published financial statement of the Company.

Corporate Social Responsibility

The Company has implemented comprehensive policies on "Occupational health, Safety & Environment" and "Corporate Social Responsibility and Sustainable Development" to meet its Corporate Social Responsibilities. Social and environmental responsibility reflects the company's recognition that there is a strong positive correlation between financial performance and corporate, social, and environmental responsibility. Social and environmental responsibility include the following:

1. Community investment and welfare schemes
2. Environmental protection measures
3. Occupational health and safety
4. Business ethics and anti-corruption measures

5. Energy conservation
6. Industrial relations
7. National cause donations

Our role as a corporate citizen is as important to us as the satisfaction of our customers and earning a fair return for our shareholders. We are committed to working for the betterment and prosperity of our stakeholders. Management has endeavored to provide a safe and healthy work atmosphere by adopting practices and creating working conditions that are safe and healthy for our employees, vendors, contractors, suppliers, and customers.

We are committed to providing better education and health facilities to the less fortunate people, especially to our stakeholders.

In line with our philosophy of CSR, we regularly maintain and support TCF school - Amir Sultan Chinoy Campus in the vicinity of Landhi along with offering need-based scholarships to NED University students for a better tomorrow of our younger generation. We also support NGOs like SIUT, LRBT, Kidney Center, SINA Health, Education Welfare Trust and Amir Sultan Chinoy Foundation to help deserving patients for their treatment.

Sustainability Measures

All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior, and energy conservation are an integral part of our business model. We also believe that employees are most critical in the progress, growth, and sustainability of any organization.

For more details, please refer to our “Sustainability Report” which is available on our website (www.isl.com.pk)

Engaging Stakeholders & Transparency

The development of stakeholders’ relationships is of significant importance for the company. Building “stakeholder’s engagement” and compliance with

regulatory requirements and terms and conditions are some of the main business principles by which we abide.

To bring an accurate understanding of the company’s management policies and business activities to all its stakeholders, it strives to make full disclosure of all material information to all stakeholders through various announcements on its website, to the Stock Exchange, and other sources available to help investors to make informed decisions. It encourages full participation of the members in the General Meetings by sending corporate results and sufficient information following the prescribed timeline to enable the shareholders to participate on an informed basis.

While increasing management transparency, it aims to strengthen its relationships and trust with shareholders and investors. Our stakeholders include but are not limited to customers, employees, government, shareholders, suppliers, local communities, and bankers.

Corporate Briefing Session

In compliance with the listing regulations of the Pakistan Stock Exchange, Company arranges corporate briefing session(s) annually to answer queries of the various stakeholders including investors and financial analysts. A Corporate Briefing Session of the Company was held on Thursday, September 29, 2022 at 3.00 p.m. through video conference to brief the investors/analysts/shareholders about the financial performance and future outlook of the Company.

Policy for Investor Grievances

The Company has an “Investor Relation Policy” that sets out the principles in providing the shareholders and prospective investors with the necessary information to make well-informed investment decisions and to ensure a level playing field. Investor grievances and complaints are very important and are properly reviewed to minimize the recurrence of similar issues in the future. The following principles are adhered to with regard to investor grievances:



1. Investors are always treated fairly.
2. Complaints raised are dealt with in a courteous and timely manner.
3. Various modes of communication like email, telephone, meetings, and raising matters at the Annual General Meeting are available to investors to raise grievances.
4. Queries and complaints are treated fairly and efficiently.
5. Employees work in good faith and without prejudice towards the interests of the creditors.
6. Detailed company information regarding financial highlights, investor information, and other requisite information specified under the relevant regulations has been placed on the corporate website of the company which is updated on a regular basis.

Safety of Company Records

The company has a firm “Document & Record Control Policy” for establishing, approving, reviewing, changing, maintaining, replacing, retrieving, retaining, distributing, and administering control of all documents and data that relate to the Company and has taken the following concrete measures to ensure safety/security of the records and creating a paperless environment.

- All important documents such as minutes and proceedings of the Board & its sub-committees, Annual General Meetings, statutory certificates, title documents of the Company properties and all other important communications and records are digitally scanned and archived on secured Company servers.
- All important original documents are placed in a neutral, secured, and well-known vault.
- Record keeping of accounting books is at a separate secured location.

Human Resource Management Policies and Succession Planning

A comprehensive set of policies has been well implemented to cover all aspects related to HR. The

policies focus on training, motivating, and retaining valuable human assets for the future growth of the company. To maintain the continuity of business operations, particularly at senior management and key managerial levels, a well-defined succession planning framework is in place.

Information Technology Policy

A well-defined Information Technology Policy is in place to help achieve efficient and effective use of I.T resources to establish priorities, strategy delivery, increase productivity and deliver the right services to users.

The Information Technology Steering Committee comprises of CEO, COO, CFO, Head of Manufacturing, Head of Sales & Marketing, Head of HR & Admin and the Head of Information Technology (“I.T.”) is responsible for taking major I.T. decisions. The HoD I.T. is responsible for ensuring the communication of I.T. security policies to all users of the company. Further, Internal Audit is responsible for monitoring compliance of I.T. policies. The Policy on Information Technology is focused upon information security, access control, information system acquisition development and maintenance, business continuity management, incident management, website, and ERP.

Whistleblowing Policy

We are committed to creating an atmosphere in which our people can freely communicate their concerns to their supervisors and functional Heads. The Company also has a Whistleblowing Policy in place which provides an additional avenue to employees to report any corrupt or unethical behavior.

The Policy of Security Clearance of Foreign Directors

Committed to the well-being of our Board, the Company has in place various protocols and procedures to ensure the safety and security of its Board including foreign Directors.

Issues Raised at Last AGM

In the 15th Annual General Meeting of the Company held on September 29, 2022, general clarifications were sought by shareholders on the company's published financial statements and no significant issues were raised.



Yousuf H. Mirza
Chief Executive Officer
International Steels Limited

Karachi: August 21, 2023

Dividend to Shareholders

During the year, the Company paid an interim dividend of 30% per share to all eligible shareholders and the Board of Directors has recommended a final dividend of 25% per share, making a total of 55% in respect of the financial year ended June 30, 2023 which is subject to shareholders approval.

Pattern of Shareholding

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as of June 30, 2023 is placed on Page no. 184.



Kamal A. Chinoy
Chairman
International Steels Limited

Board Committees

The Board is assisted by the following two committees to support its decision-making in their respective domains:

- A. Board Audit Committee (BAC) and
- B. Human Resource & Remuneration Committee (HR&RC):

A. Board Audit Committee

The Audit Committee comprises of the following:

1) Mr. Nihal Cassim	Chairman	Independent Director
2) Mr. Haroun Rashid	Member	Non-Executive Director
3) Dr. Amjad Waheed	Member	Independent Director
4) Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5) Mr. Zaib Zaman	Secretary	Chief Internal Auditor

The Audit Committee comprises of four (4) Directors including one Independent Director who is the Chairman. The Chief Financial Officer and the Chief Internal Auditor attend the BAC meetings, while the Chief Executive Officer is invited to attend the meetings.

The Audit Committee also separately meets the internal audit team and external auditors at least once a year without the presence of the Management. Meetings of the Audit Committee are held at least once every quarter. During the year 2022-23, the Audit Committee held five (5) meetings. The Chief Internal Auditor is the Secretary of the Board Audit Committee. The minutes of the meetings of the Audit Committee were provided to all members, directors, and the Chief Financial Officer.

The Chief Internal Auditor meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity, and suggestions for mitigating risks and improvement areas. The risks identified are then referred to the respective departments and corrective actions are then implemented.



Terms of Reference of the Audit Committee

The Audit Committee is mainly responsible for reviewing the financial statements, ensuring proper internal controls to align operations in accordance with the mission, vision, and business plans, and monitoring compliance with all applicable laws and regulations and accounting and financial reporting standards.

The salient features of terms of reference of the Audit Committee are as follows:

1. Recommending to the Board the appointment of external auditors.
2. Consideration of questions regarding resignation or removal of external auditors, audit fees and provision by the external auditors of any services to the company in addition to the audit of financial statements.
3. Determination of appropriate measures to safeguard the Company's assets.
4. Review the Enterprise Risk Management system and assess the adequacy and monitoring by the Management.
5. Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board, focusing on major judgement areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, and compliance with applicable accounting standards, listing regulations and other statutory requirements.
6. Facilitating the external audit and discussion with external auditors on major observations arising from audit and any matter that the auditors may wish to highlight (in the absence of the management, where necessary).
7. Review of the Management Letter issued by external auditors and the Management's response thereto.
8. Review of the scope and extent of Internal Audit and ensuring that the Internal Audit function is adequately resourced and placed within the organization.
9. Consideration of major findings of internal investigations and the Management's response there to.
10. Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
11. Review of Company's statement on internal control systems prior to endorsement by the Board.
12. Monitoring compliance with statutory requirements.



B) Human Resources & Remuneration Committee

1) Ms. Nausheen Ahmad	Chairperson	Independent Director
2) Mr. Kamal A. Chinoy	Member	Non-Executive Director
3) Mr. Mustapha A. Chinoy	Member	Non-Executive Director
4) Dr. Amjad Waheed	Member	Independent Director
5) Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer
6) Mr. Muhammad Bilal	Secretary	HOD Human Resources

The Committee comprises five (5) members. The Chairperson is an independent director. Meetings are conducted at least quarterly or at such other frequency as the Chairperson may determine. Head of Human Resources is the Secretary of the Committee. The minutes of the HR&RC meetings are provided to all members and Directors. The Committee held six (6) meetings during the year.

Terms of Reference of Human Resources & Remuneration Committee

The Committee defines the HR policy framework and makes recommendations to the Board in the evaluation and approval of employee benefit plans and succession planning.

The salient features of the Terms of Reference of HR&RC are as follows:

1. Major HR Policy / frameworks including compensation.
2. Overall organizational structure.
3. Organization model and periodically seek the assessment of the same.
4. Succession planning for key executives, including the CEO.
5. Recommend to the Board, the selection, remuneration, development and evaluation of the CEO, CFO, Chief Internal Auditor, and the Company Secretary.
6. Consider and approve, on recommendations of the CEO, the evaluation, development and compensation of key management positions who report directly to the CEO.
7. The CEO, being a member of the HR&RC shall not be a part of Committee meetings if his/her compensation / performance is being discussed / evaluated.
8. Compensation of the non-executive directors.
9. Board Remuneration Policy & Procedure.
10. Board Evaluation Policy and Procedure for the Board as a whole and for the Individual Directors.



DIRECTORS' PARTICIPATION IN BOARD AND SUB COMMITTEE MEETINGS

Board/Sub Committee	Board Meetings	Audit Committee Meetings	Human Resource and Remuneration Committee
Meetings held during FY 2022-23	7	5	6
Dr. Amjad Waheed	7/7	4/4	5/5
Mr. Haroun Rashid	7/7	3/4	-
Mr. Kamal A. Chinoy*	7/7	1/1	6/6
Mr. Mustapha A. Chinoy	7/7	4/4	5/6
Ms. Nausheen Ahmad	7/7	-	6/6
Mr. Nihal Cassim	7/7	5/5	-
Mr. Shuji Tsubota	7/7	-	-
Mr. Yousuf H. Mirza	7/7	-	6/6
Mr. Samir M. Chinoy	7/7	-	-
Mr. Babar Badat**	0/1	-	0/1
Mr. Fuad Hashmi**	0/1	0/1	-

*ceased to be a member of the audit committee upon the reconstitution of the committee after the election of the Board of Directors.

**ceased to be a director effective September 29, 2022 upon the elections of the Board of Directors.

MANAGEMENT TEAM

Good corporate governance is the basis of our decision making & control process. The management's decision making is based on long term strategic objectives in which the board, provides strategic oversight and guidance to the management and monitors the performance of the company regarding business objectives, shareholders interests and regulatory compliance.

The management committee is headed by the Chief Executive Officer and the committee members are:

- | | |
|------------------------|-----------------------------------|
| 1) Mr. Yousuf H. Mirza | Chief Executive Officer |
| 2) Mr. Samir M. Chinoy | Chief Operating Officer |
| 3) Mr. Mujtaba Hussain | Chief Financial Officer |
| 4) Mr. Muhammad Bilal | Head of Human Resources |
| 5) Mr. Zafar Majeed | Head of Manufacturing |
| 6) Mr. Ibrahim Memon | Head of Information Technology |
| 7) Mr. Mustafa Khan | General Manager Sales & Marketing |
| 8) Mr. Yasir Sohail | General Manager Production |
| 9) Mr. M. Faheem | General Manager Service Center |
| 10) Ms. Schaane Ansari | Company Secretary & Head of Legal |



Fueling the Automotive Industry with Excellence

At ISL, we take pride in delivering flat rolled products of unwavering quality and unparalleled reliability. Our world-class processes guarantee precision in tolerances and superior attributes such as flatness, drawability, and formability—qualities that resonate profoundly in the automotive industry. At ISL, our unwavering dedication to customer service excellence remains our guiding principle.

ISL is deeply committed to delivering engineering steels that exemplify peak performance and reliability. Our offerings cater extensively to the diverse needs of industries, including the critical two-wheeler, three-wheeler, and four-wheeler segments.

Our flat rolled steels, crafted with state-of-the-art technology from global Tier-1 mills, epitomize unmatched quality. Spanning a wide array of grades and surface finishes, these steels consistently meet international grades and standards.



REPORT OF THE BOARD AUDIT COMMITTEE ON ADHERENCE TO THE CODE OF CORPORATE GOVERNANCE

The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2023 and reports that:

1. The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, the Company's Code of Conduct and the international best practices of governance throughout the year.
2. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the auditors of the Company.
3. Appropriate accounting policies have been consistently applied. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the year ended June 30, 2023, which fairly present the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company for the year under review.
4. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company along with Chairman and Directors' Reports. They acknowledge their responsibility for a true and fair presentation of the financial statements, the accuracy of reporting, compliance with regulations and applicable accounting standards, and establishment and maintenance of internal controls system of the Company.
5. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate, and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
7. No direct and indirect trading in Company's shares was carried out by Directors and executives or their spouses during the year.

INTERNAL AUDIT FUNCTION

1. The Company's Internal Audit function is being led by the Chief Internal Auditor in compliance with the Code of Corporate Governance, who is assisted by in-house staff. The Chief Internal Auditor reports directly to the Chairman of the Board Audit Committee.
2. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.



3. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and shareholders' wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.
4. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

1. The statutory auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the year ended June 30, 2023 and shall retire on the conclusion of the 16th Annual General Meeting.
2. The Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the Listing Regulations & the Listed Companies (Code of Corporate Governance) Regulations 2019 and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
3. The audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
4. Being eligible for reappointment under the Listing Regulations & the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board Audit Committee recommends their reappointment for the year ending June 30, 2024 on terms and conditions to be negotiated by the Chief Executive Officer.

Mr. Nihal Cassim

Chairman- Board Audit Committee

Karachi

August 15, 2023



A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL STEELS LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Steels Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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



Chartered Accountants

Karachi

Dated: August 31, 2023

UDIN: CR202310073qaW8fN3Z9

Statement of Compliance

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

International Steels Limited
June 30, 2023

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

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

A	Male	Eight (8)
B	Female	One (1)

2. The composition of Board is as follow:

Category	Name(s)
Independent Directors	Dr. Amjad Waheed Mr. Nihal Cassim
Non-Executive Directors	Mr. Kamal A. Chinoy
	Mr. Mustapha A. Chinoy
	Mr. Haroun Rashid
	Mr. Shuji Tsubota
Executive Directors	Mr. Yousuf H. Mirza*
	Mr. Samir M. Chinoy
Female Director (Independent Director)	Ms. Nausheen Ahmad

*Mr. Yousuf H. Mirza, the Chief Executive Officer of the Company, is a deemed director as defined in Section 188(3) of the Companies Act, 2017.

3. The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
9. The directors were apprised of their duties and responsibilities from time to time. The directors either have already attended directors' training as required in previous years or are exempted from the requirements of the Directors' Training Program. In case of one foreign director, the Company is in the process of obtaining confirmation from Securities and Exchange Commission of Pakistan regarding the equivalency of his training from institution outside Pakistan;
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following committees comprising of the following members:

a) Board Audit Committee

1. Mr. Nihal Cassim	Chairman	Independent Director
2. Mr. Mustapha A. Chinoy	Member	Non-Executive Director
3. Mr. Haroun Rashid	Member	Non-Executive Director
4. Dr. Amjad Waheed	Member	Independent Director

b) Human Resource & Remuneration Committee

1. Ms. Nausheen Ahmad	Chairperson	Independent Director
2. Mr. Kamal A. Chinoy	Member	Non-Executive Director
3. Dr. Amjad Waheed	Member	Independent Director
4. Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5. Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;
14. The frequency of meetings of the committees were as follows:
 - i. Board Audit Committee** : At least quarterly
 - ii. HR and Remuneration Committee** : Quarterly or as and when needed

15. The Board has set up an effective Internal Audit function experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 (non-mandatory requirements) are below:

S.No.	Requirement	Explanation	Reg. No
1	All directors of a company shall attend its general meeting(s), (ordinary & extra-ordinary unless precluded from doing so due to any reasonable cause.	Seven (7) directors of the Board attended the 15th Annual General Meeting. Dr. Amjad Waheed, Mr. Haroun Rashid, Mr. Babar Badat and Mr. Fuad Hashimi could not attend due to personal reasons.	10
2	The chief financial officer and company secretary or in their absence, the nominee appointed by the Board, shall attend all meetings of the Board.	The chief financial officer and the company secretary were not able to attend a meeting of the Board due to personal reasons.	13
3	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not considered to be necessary.	29
4	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management related matters of the Company. One dedicated meeting was held in May 2023 to review risks.	30

On behalf of the Board



Yousuf H. Mirza
Chief Executive Officer
International Steels Limited

Karachi: August 21, 2023



Kamal A. Chinoy
Chairman
International Steels Limited

Financial Highlights



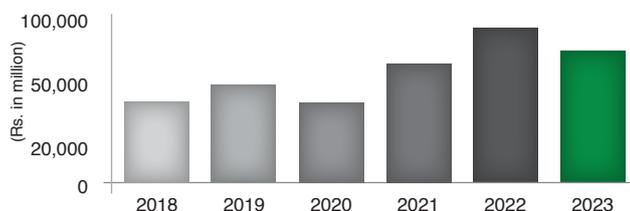
FINANCIAL HIGHLIGHTS

Sales
Gross profit
Operating profit
Profit before tax
Profit after tax
Earning per share - Basic Diluted (Rupees)
Shareholders equity
Property, Plant & Equipment
Book Value per share (Rupees)

2023	2022	%
(Rs. in '000)		
76,753,334	91,423,698	16.0 -
10,607,676	12,381,309	14.3 -
7,455,578	9,323,334	20.0 -
5,191,411	8,000,750	35.1 -
3,518,790	5,412,190	35.0 -
8.09	12.44	35.0 -
21,683,880	21,596,089	0.4 +
20,304,569	20,749,605	2.1 -
49.85	49.65	0.4 +

Business Growth

Sales Revenue

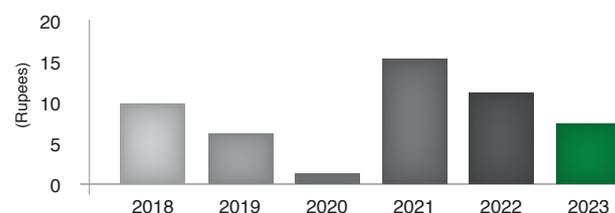


Sales revenue growth

-16.05% Over 2022 9.32% CAGR over 6 years

Shareholder Value Accretion

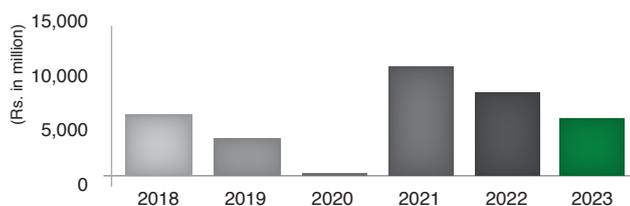
Earning per share



Earning per share growth

-34.97% Over 2022 -4.22% CAGR over 6 years

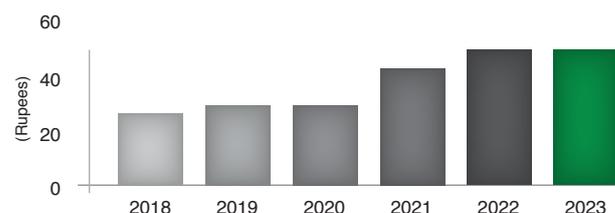
Profit Before Tax



Profit before tax

-35.11% Over 2022 -2.20% CAGR over 6 years

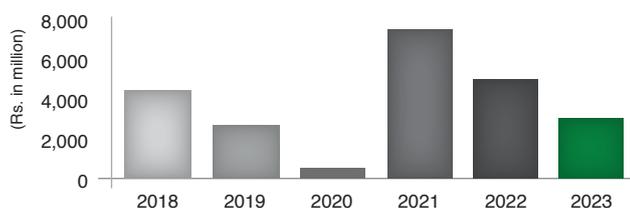
Book Value Per Share



Book Value Per Share

0.41% Over 2022 12.89% CAGR over 6 years

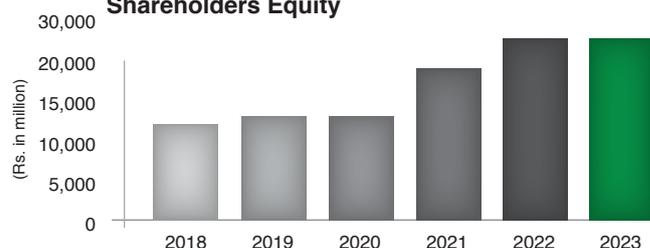
Profit After Tax



Profit after tax

-34.98% Over 2022 -4.22% CAGR over 6 years

Shareholders Equity



Shareholders equity growth

0.41% Over 2022 12.89% CAGR over 6 years

ANALYSIS OF FINANCIAL STATEMENTS

Statement Of Financial Position

	2023	2022	2021	2020	2019	2018
	(Rs. in '000)					
Property, plant and equipment	20,304,569	20,749,605	19,179,617	20,638,354	19,862,302	18,262,610
Right-of-use assets	43,839	63,725	19,318	49,377	-	-
Intangible Assets	309,580	176,866	885	1,197	2,736	2,565
Other non current assets	100	100	100	100	100	100
Current assets	21,733,494	34,914,760	22,519,623	22,172,184	19,896,904	17,327,314
Total assets	42,391,582	55,905,056	41,719,543	42,861,212	39,762,042	35,592,589
Shareholders' equity	21,683,880	21,596,089	18,887,640	12,725,815	12,878,270	11,825,008
Non current liabilities	3,301,090	5,095,864	6,474,761	6,568,651	8,597,759	8,476,513
Current portion of long term financing	377,378	1,419,495	1,462,435	1,487,634	909,943	1,201,679
Short term borrowings	3,334,225	17,359,553	6,796,345	11,520,404	10,191,219	8,462,310
Other current liabilities	13,695,009	10,434,055	8,098,362	10,558,708	7,184,851	5,627,079
Total equity and liabilities	42,391,582	55,905,056	41,719,543	42,861,212	39,762,042	35,592,589

Vertical Analysis

	Percentage					
Property, plant and equipment	47.9	37.1	46.0	48.2	50.0	51.3
Right-of-use assets	0.1	0.11	0.0	0.1	-	-
Intangible Assets	0.7	0.3	0.0	0.0	0.0	0.0
Other non current assets	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	51.3	62.5	54.0	51.7	50.0	48.7
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	51.2	38.6	45.3	29.7	32.4	33.2
Non current liabilities	7.8	9.1	15.5	15.3	21.6	23.8
Current portion of long term financing	0.9	2.5	3.5	3.5	2.3	3.4
Short term borrowings	7.9	31.1	16.3	26.9	25.6	23.8
Other current liabilities	32.3	18.7	19.4	24.6	18.1	15.8
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

	Percentage					
Property, plant and equipment	(2.1)	8.2	(7.1)	3.9	8.8	33.9
Right-of-use assets	(31.2)	229.9	(60.9)	-	-	-
Intangible Assets	75.0	19,884.9	(26.1)	(56.3)	6.7	(34.3)
Other non current assets	-	-	-	-	-	-
Current assets	(37.8)	55.0	1.6	11.4	14.8	36.1
Total assets	(24.2)	34.0	(2.7)	7.8	11.7	35.0
Shareholders' equity	0.4	14.3	48.4	(1.2)	8.9	38.2
Non current liabilities	(35.2)	(21.3)	(1.4)	(23.6)	1.4	66.2
Current portion of long term financing	(73.4)	(2.9)	(1.7)	63.5	(24.3)	0.4
Short term borrowings	(80.8)	155.4	(41.0)	13.0	20.4	67.9
Other current liabilities	31.3	28.8	(23.3)	47.0	27.7	(13.2)
Total equity and liabilities	(24.2)	34.0	(2.7)	7.8	11.7	35.0

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Profit and Loss

	2023	2022	2021	2020	2019	2018
	(Rs. in '000)					
Sales - Net	76,753,334	91,423,698	69,796,240	48,081,937	57,484,354	49,159,626
Cost of sales	(66,145,658)	(79,042,389)	(56,304,367)	(43,869,080)	(51,035,302)	(41,528,466)
Gross profit	10,607,676	12,381,309	13,491,873	4,212,857	6,449,052	7,631,160
Administrative, Selling and Distribution expenses	(1,386,281)	(1,902,937)	(1,424,515)	(1,157,145)	(986,231)	(719,689)
Other operating expenses	(1,921,613)	(1,356,009)	(1,276,659)	(334,257)	(533,801)	(661,595)
Other operating income	155,796	200,971	315,833	35,523	39,413	92,552
Operating Profit before finance costs	7,455,578	9,323,334	11,106,532	2,756,978	4,968,433	6,342,428
Finance costs	(2,264,167)	(1,322,584)	(811,931)	(2,314,807)	(1,289,315)	(539,116)
Profit before taxation	5,191,411	8,000,750	10,294,601	442,171	3,679,118	5,803,312
Taxation	(1,672,621)	(2,588,560)	(2,828,270)	52,680	(1,014,745)	(1,438,354)
Profit after taxation	3,518,790	5,412,190	7,466,331	494,851	2,664,373	4,364,958

Vertical Analysis

	Percentage					
Sales - Net	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(86.2)	(86.5)	(80.7)	(91.2)	(88.8)	(84.5)
Gross profit	13.8	13.5	19.3	8.8	11.2	15.5
Administrative, Selling and Distribution expenses	(1.8)	(2.1)	(2.0)	(2.4)	(1.7)	(1.5)
Other operating expenses	(2.5)	(1.5)	(1.8)	(0.7)	(0.9)	(1.3)
Other operating income	0.2	0.2	0.5	0.1	0.1	0.2
Operating Profit before finance costs	9.7	10.2	15.9	5.7	8.6	12.9
Finance costs	(2.9)	(1.4)	(1.2)	(4.8)	(2.2)	(1.1)
Profit before taxation	6.8	8.8	14.7	0.9	6.4	11.8
Taxation	(2.2)	(2.8)	(4.1)	0.1	(1.8)	(2.9)
Profit after taxation	4.6	5.9	10.7	1.0	4.6	8.9

Horizontal Analysis

	Percentage					
Sales - Net	(16.0)	31.0	45.2	(16.4)	16.9	41.2
Cost of sales	(16.3)	40.4	28.3	(14.0)	22.9	43.6
Gross profit	(14.3)	(8.2)	220.3	(34.7)	(15.5)	29.2
Administrative, Selling and Distribution expenses	(27.2)	33.6	23.1	17.3	37.0	31.2
Other operating expenses	41.7	6.2	281.9	(37.4)	(19.3)	55.7
Other operating income	(22.5)	(36.4)	789.1	(9.9)	(57.4)	(29.8)
Operating Profit before finance costs	(20.0)	(16.1)	302.9	(44.5)	(21.7)	25.2
Finance costs	71.2	62.9	(64.9)	79.5	139.2	18.4
Profit before taxation	(35.1)	(22.3)	2,228.2	(88.0)	(36.6)	25.9
Taxation	(35.4)	(8.5)	(5,468.8)	(105.2)	(29.5)	(8.1)
Profit after taxation	(35.0)	(27.5)	1,408.8	(81.4)	(39.0)	43.4

ANALYSIS OF FINANCIAL STATEMENTS

Statement Of Cash Flows

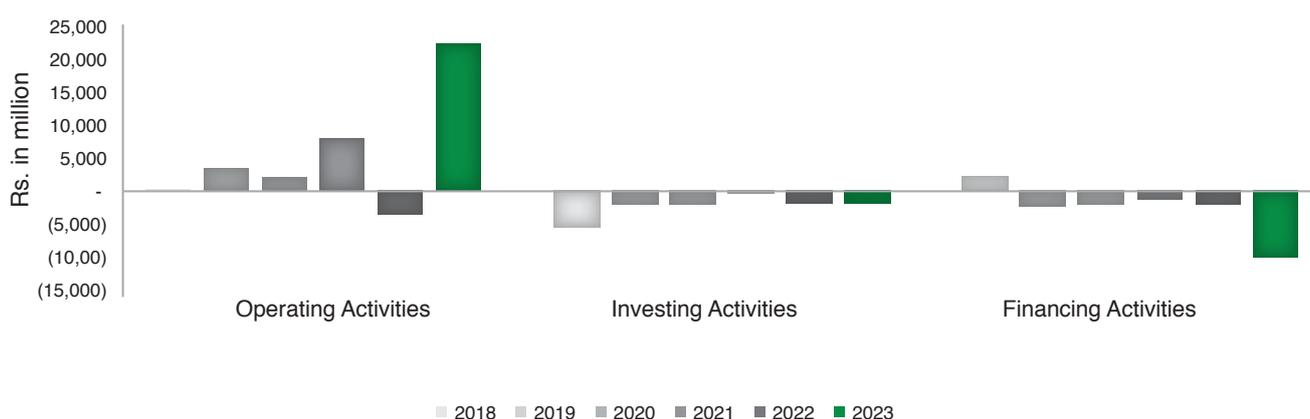
	2023	2022	2021	2020	2019	2018
	(Rs. in '000)					
Net cash generated / (used in) from operating activities	22,361,723	(3,453,241)	8,043,275	1,976,287	3,486,111	293,548
Net cash used in from investing activities	(1,740,795)	(1,711,067)	(483,513)	(2,180,932)	(2,257,935)	(5,470,778)
Net cash (used in) / generated from financing activities	(9,993,707)	(2,082,025)	(1,275,015)	(2,132,037)	(2,384,558)	2,479,575
Net increase / (decrease) in cash and cash equivalents	10,627,221	(7,246,333)	6,284,747	(2,336,682)	(1,156,382)	(2,697,655)

Vertical Analysis

	Percentage					
Net cash generated / (used in) from operating activities	210.4	(47.7)	128.0	84.6	301.5	10.9
Net cash used in from investing activities	(16.4)	(23.6)	(7.7)	(93.3)	(195.3)	(202.8)
Net cash (used in) / generated from financing activities	(94.0)	(28.7)	(20.3)	(91.2)	(206.2)	91.9
Net increase / (decrease) in cash and cash equivalents	100.0	(100.0)	100.0	(100.0)	(100.0)	(100.0)

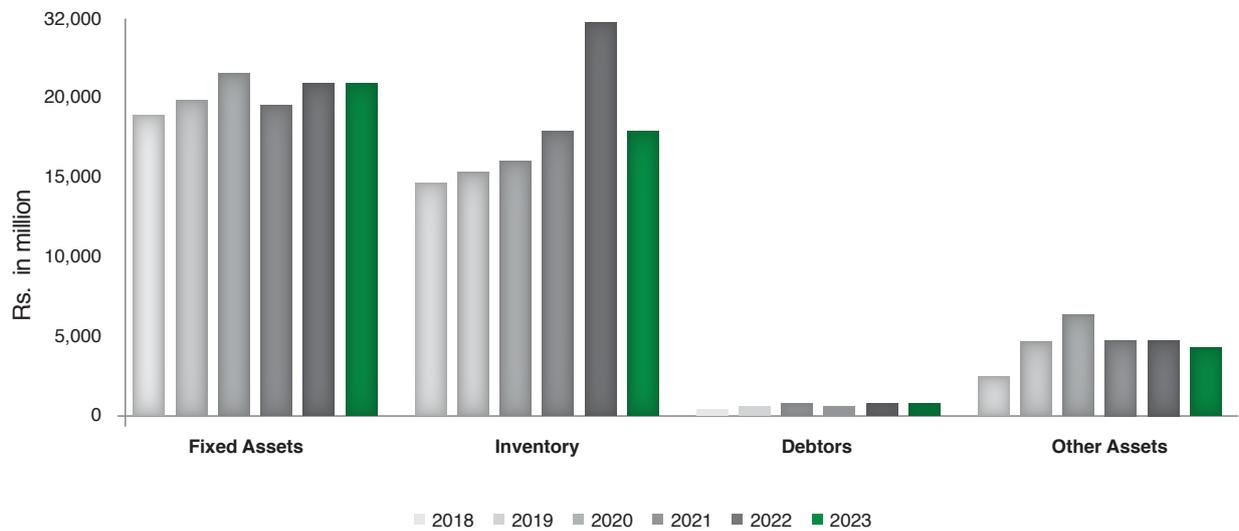
Horizontal Analysis

	Percentage					
Net cash generated / (used in) from operating activities	747.6	(142.9)	307.0	(43.3)	1,087.6	(81.3)
Net cash used in from investing activities	(1.7)	(253.9)	77.8	3.4	58.7	(206.1)
Net cash (used in) / generated from financing activities	(380.0)	(63.3)	40.2	10.6	(196.2)	390.3
Net increase / (decrease) in cash and cash equivalents	246.7	(215.3)	369.0	(102.1)	57.1	(1,038.9)

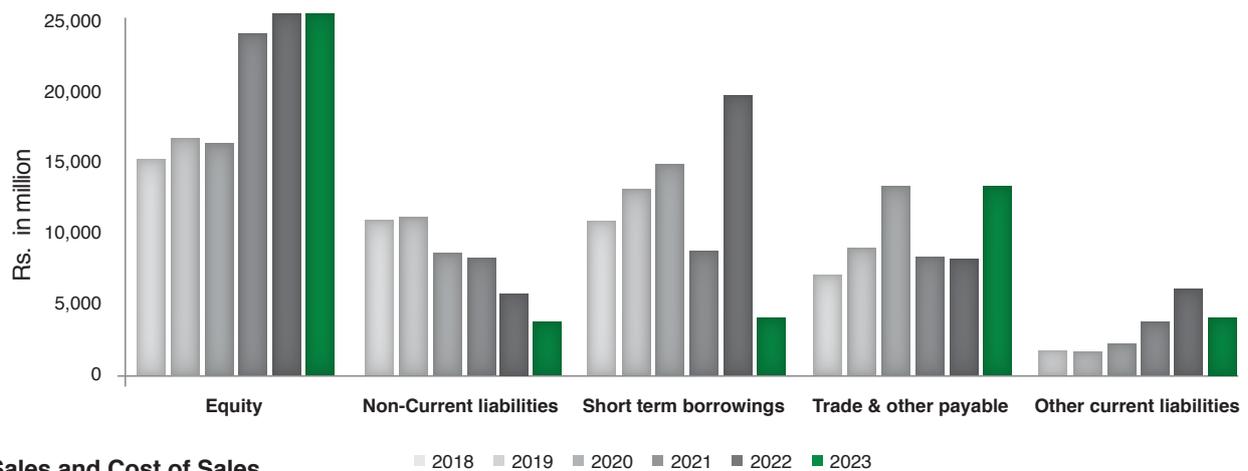


ANALYSIS OF FINANCIAL STATEMENTS

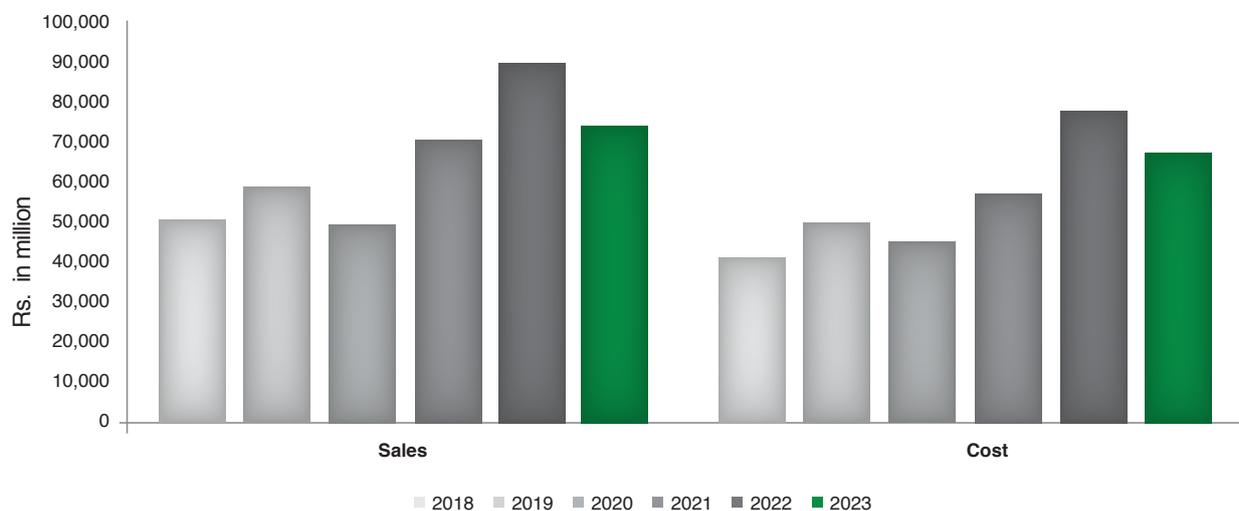
Assets



Equity & Liabilities

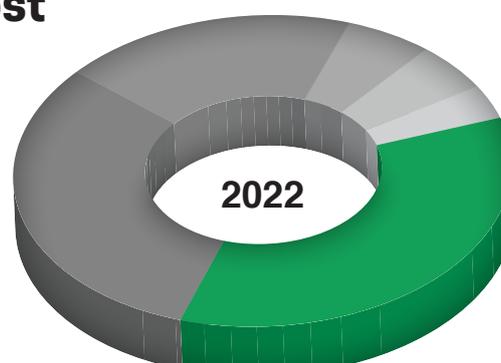
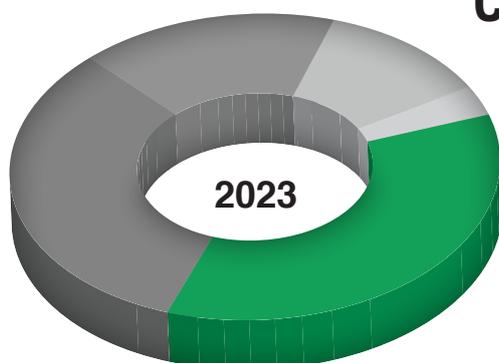


Sales and Cost of Sales



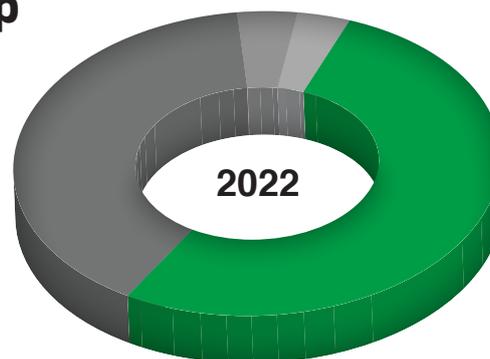
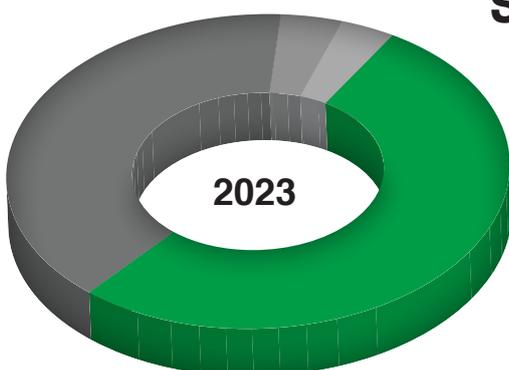
KEY FINANCIAL INDICATORS

Conversion Cost



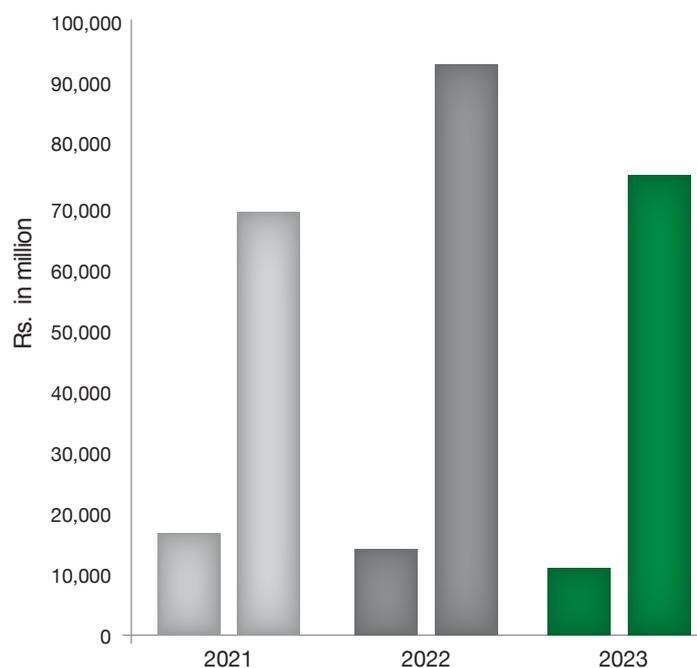
	2023	2022
	(Rs. in million)	
Electricity, gas and water	1,627	1,533
Depreciation and amortisation	1,478	1,359
Salaries, wages and benefits	775	830
Others	346	249
Repairs and maintenance	186	154
Store and spares consumed with provision	145	224
Total	4,557	4,349

Product Wise Sales Break Up



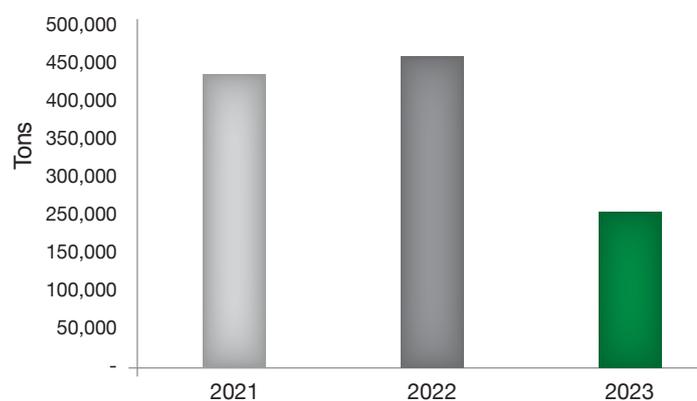
	2023	2022
	(Rs. in million)	
Galvanized Coils	39,681	48,188
Cold rolled Coils	30,594	36,356
Colored Coils	3,401	3,648
Bi-Products	3,077	3,232
Total	76,753	91,424

KEY FINANCIAL INDICATORS



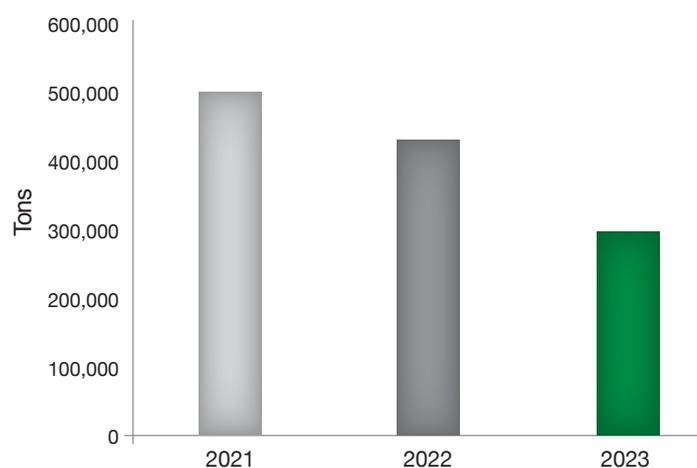
Net Sales / Gross Profit

	2021	2022	2023
	Rs in million		
Net Sales	69,796	91,424	76,753
Gross Profit	13,492	12,381	10,608



Raw material purchases

	2021	2022	2023
Tons	438,484	473,244	256,099



Production

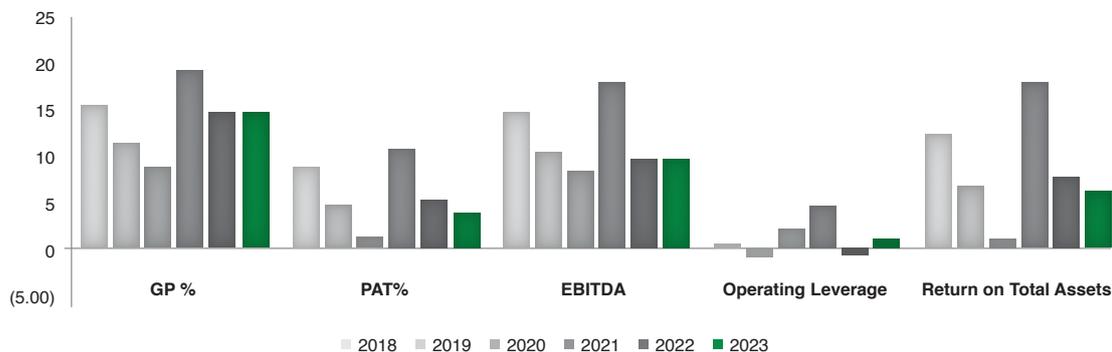
	2021	2022	2023
Tons	492,384	411,374	303,544

SIX YEARS AT A GLANCE

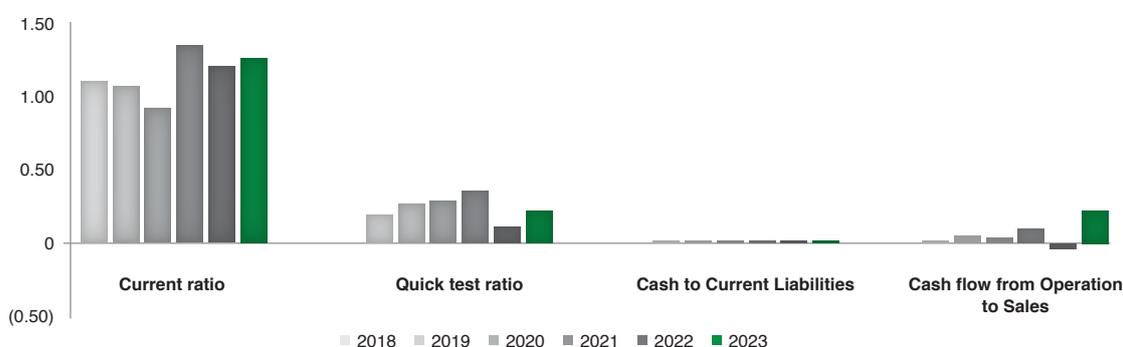
		2023	2022	2021	2020	2019	2018
KEY INDICATORS							
Profitability Ratios							
Gross profit ratio	%	13.82	13.54	19.33	8.76	11.22	15.52
Profit before tax to sales	%	6.76	8.75	14.75	0.92	6.40	11.81
Profit after tax to sales	%	4.58	5.92	10.70	1.03	4.63	8.88
EBITDA Margin to Sales	%	11.79	11.77	17.96	8.31	10.49	14.62
Operating Leverage	%	0.99	(0.46)	4.74	2.06	(0.95)	0.56
Return on Shareholders' Equity	%	16.23	25.06	39.53	3.89	20.69	36.91
Operating profit on Capital Employed	%	29.84	34.93	43.79	14.29	23.13	31.24
Return on Total Assets	%	8.30	9.68	17.90	1.15	6.70	12.26
Liquidity Ratios							
Current ratio	times	1.25	1.20	1.38	0.94	1.09	1.13
Quick / Acid test ratio	times	0.26	0.16	0.33	0.30	0.29	0.21
Cash to Current Liabilities		0.017	0.010	0.018	0.005	0.022	0.007
Cash flow from Operations to Sales		0.29	(0.04)	0.12	0.04	0.06	0.01
Cash flow from operation to capital expenditures		15.85	(1.88)	15.62	0.89	1.53	0.05
Free cash flow to the firm	Rs. millions	22,907	(5,222)	6,247	3,230	2,006	(5,308)
Free cash flow to the equity holders	Rs. millions	18,526	(6,826)	4,246	(188)	487	(2,496)
Turnover Ratios							
Inventory turnover ratio	times	3.83	2.62	3.30	2.90	3.32	2.83
Debtor turnover ratio (KE)	times	24.31	12.68	22.73	17.85	12.21	15.08
Debtor turnover (KE)	days	15	29	16	20	30	24
Debtor turnover ratio	times	70.32	92.63	71.37	51.04	76.00	69.79
Creditor turnover ratio	times	28.32	67.59	15.88	11.38	22.41	13.59
Total assets turnover ratio	times	1.81	1.64	1.67	1.12	1.45	1.38
Fixed assets turnover ratio	times	3.72	4.36	3.64	2.32	2.89	2.69
Capital employed turnover ratio	times	3.07	3.43	2.75	2.49	2.73	2.35
Operating Cycle							
Inventory turnover	days	95	139	111	126	110	129
Debtor turnover	days	5	4	5	7	5	5
Creditor turnover	days	13	5	23	32	16	27
Operating cycle	days	88	138	93	101	98	107
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	8.09	12.44	17.16	1.14	6.12	10.03
Price earning ratio	times	5.01	4.77	5.44	45.31	6.49	10.14
Market value per share at the end of the year	Rs.	40.53	59.36	93.41	51.65	39.71	101.70
Market value per share high during the year	Rs.	62.70	103.25	102.50	62.28	116.50	149.75
Market value per share low during the year	Rs.	36.71	53.10	51.95	27.61	33.94	86.00
Break-up value per share - Including Revaluation Surplus	Rs.	49.85	49.65	43.42	29.25	29.61	27.18
Break-up value per share - Excluding Revaluation Surplus	Rs.	44.82	44.10	40.62	26.37	26.64	25.02
Price to book ratio	times	0.81	1.2	2.15	1.77	1.34	3.74
Cash Dividend	%	55.00	65.00	100.00	-	30.00	45.00
Dividend Yield	%	13.57	10.95	10.71	-	7.55	4.42
Dividend Cover	times	1.47	1.91	1.72	-	2.04	2.23
Dividend Payout	%	67.99	52.25	58.28	-	49.02	44.85
Dividend per share	Rs.	5.50	6.50	10.00	-	3.00	4.50
Capital Structure Ratios							
Financial leverage ratio	%	0.86	1.51	1.10	2.25	1.91	1.39
Total Debt : Equity ratio		19:81	50:50	39:61	59:41	58:42	58:42
Net assets per share	Rs.	49.85	49.65	43.42	29.25	29.61	27.18
Interest cover	times	3.43	7.44	14.79	1.21	3.89	11.76
Employee Productivity ratios							
Production per Employee	Tons	441	584	718	588	785	893
Revenue per Employee	Rs. millions	112	130	102	68	81	85

SIX YEARS AT A GLANCE

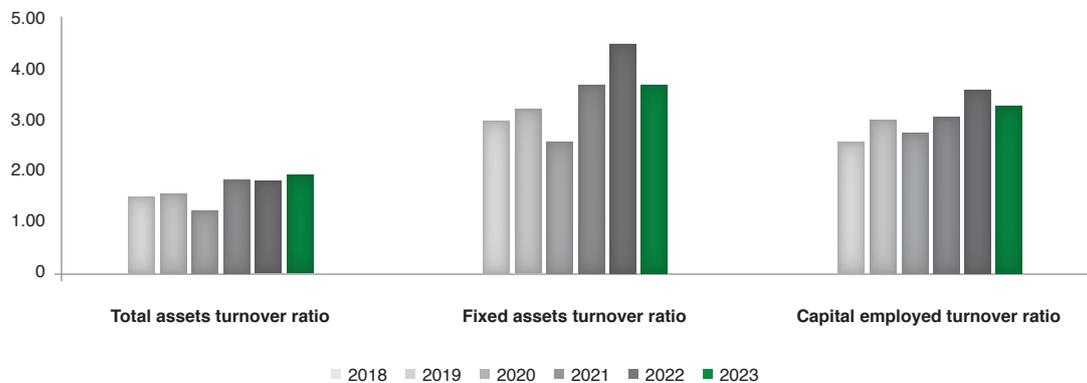
Profitability Ratios



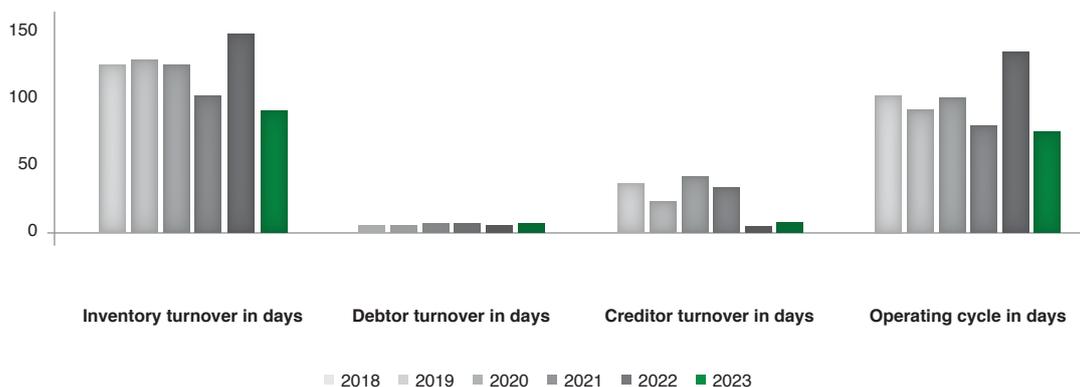
Liquidity Ratios



Turnover Ratios



Operating Cycle

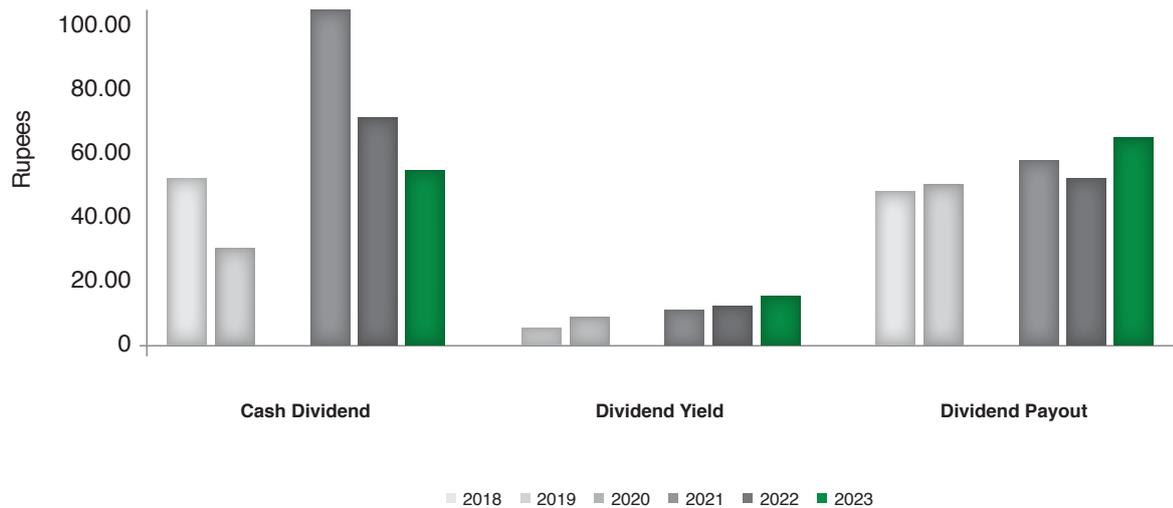


SIX YEARS AT A GLANCE

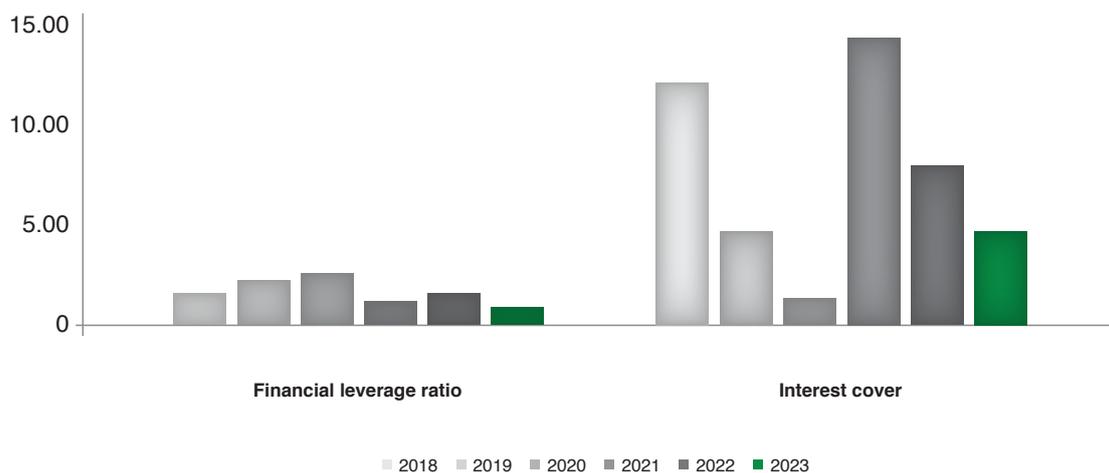
Investment Ratios



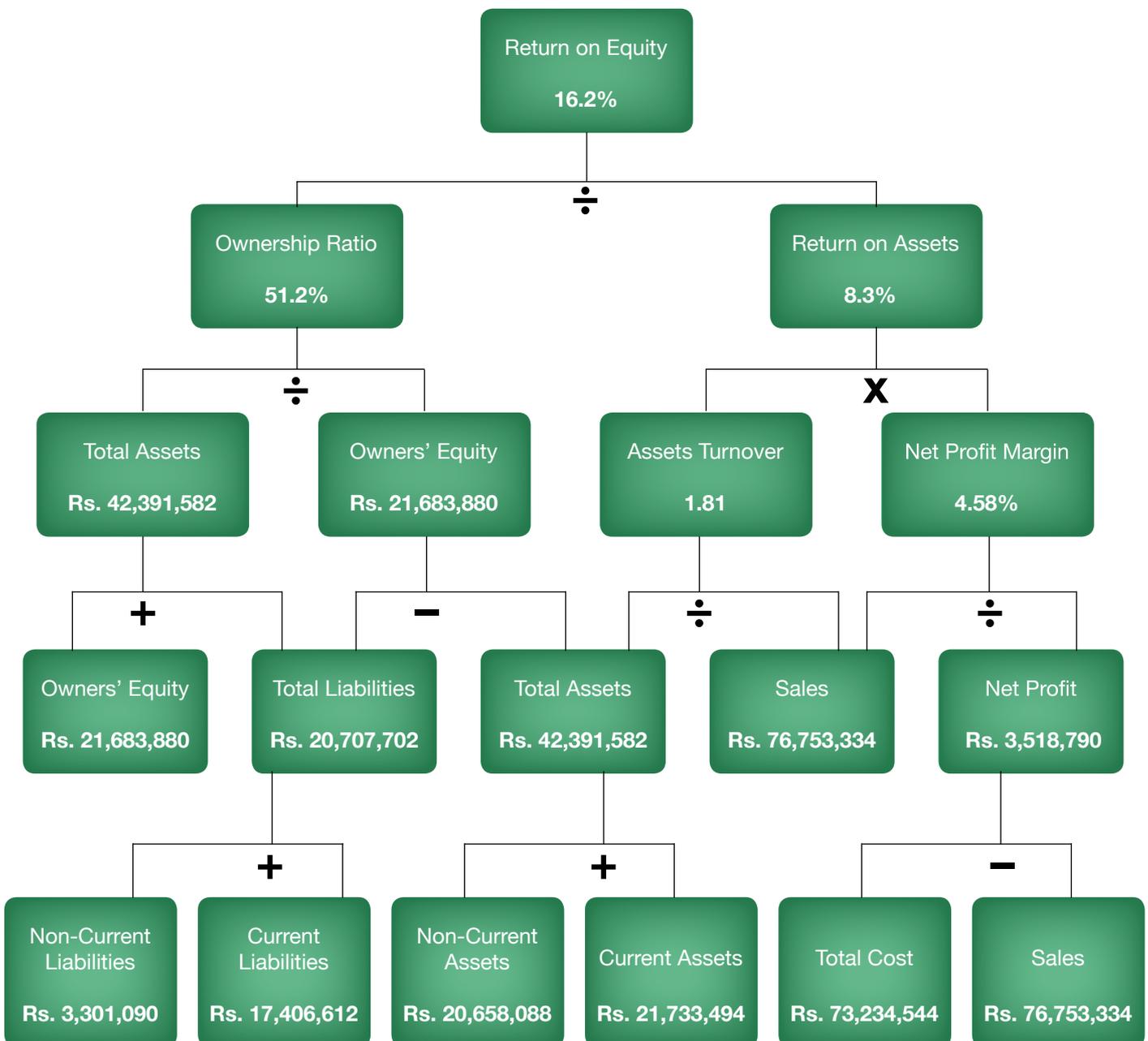
Dividend Ratios



Capital Structure Ratios

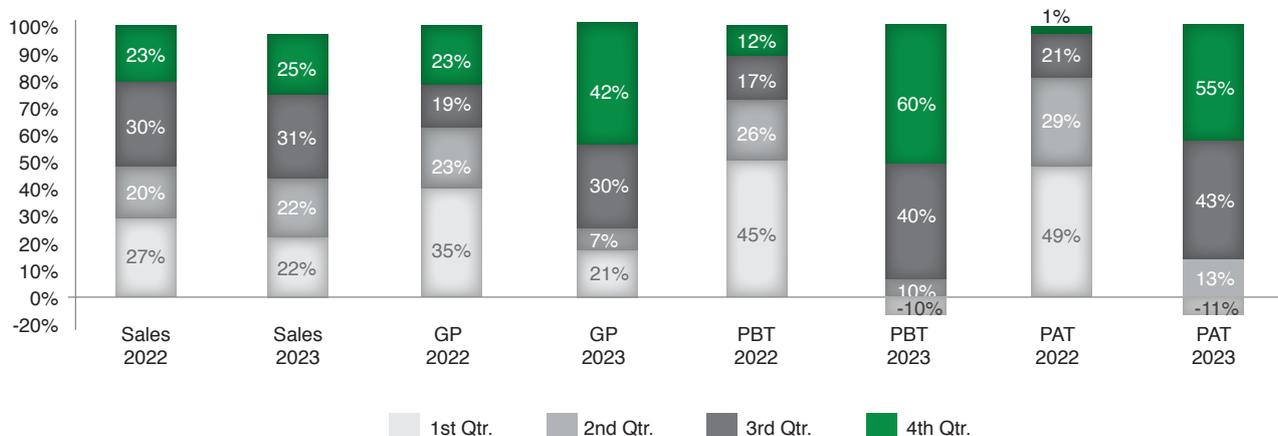


DUPONT ANALYSIS

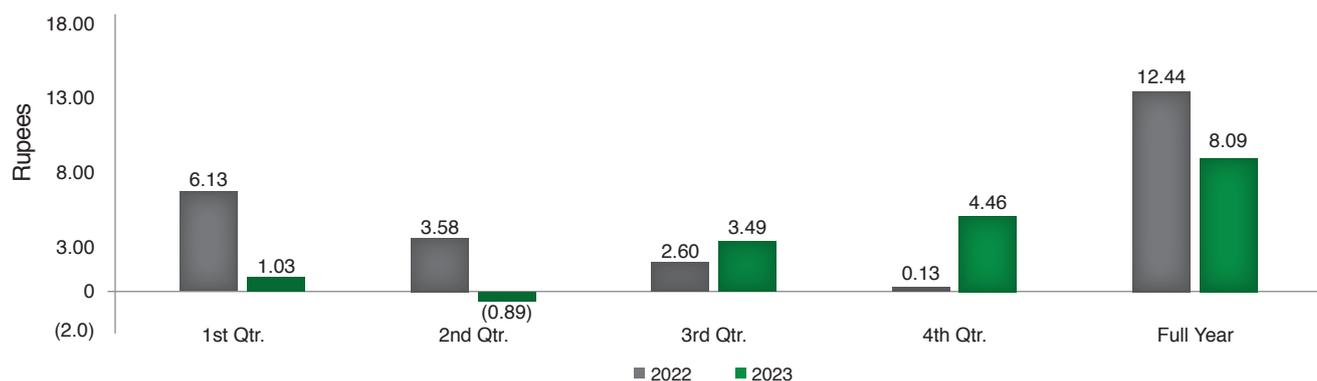


QUARTERLY PERFORMANCE

	2023									
	1st Qtr.		2nd Qtr.		3rd Qtr.		4th Qtr.		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	Rs. in million									
Revenue	16,544	100.00	17,381	100.00	23,898	100.00	18,930	100.00	76,753	100.00
Cost of sales	(14,304)	(86.46)	(16,646)	(95.77)	(20,724)	(86.72)	(14,472)	(76.45)	(66,146)	(86.18)
Gross Profit	2,240	13.54	735	4.23	3,174	13.28	4,459	23.55	10,608	13.82
Selling and distribution cost	(65)	(0.40)	(85)	(0.49)	(286)	(1.20)	(561)	(2.96)	(997)	(1.30)
Administration cost	(68)	(0.41)	(83)	(0.48)	(105)	(0.44)	(133)	(0.71)	(389)	(0.51)
Operating Profit	2,107	12.74	567	3.26	2,783	11.65	3,764	19.89	9,221	12.01
Other expenses	(775)	(4.68)	(340)	(1.96)	(328)	(1.37)	(478)	(2.53)	(1,922)	(2.50)
Other income	25	0.15	37	0.21	55	0.23	39	0.21	156	0.20
EBIT	1,357	8.20	263	1.51	2,510	10.50	3,326	17.57	7,456	9.71
Finance cost	(863)	(5.21)	(789)	(4.54)	(395)	(1.65)	(217)	(1.15)	(2,264)	(2.95)
PBT	494	2.99	(526)	(3.03)	2,115	8.85	3,108	16.42	5,191	6.76
Taxation	(46)	(0.28)	138	0.79	(598)	(2.50)	(1,167)	(6.16)	(1,673)	(2.18)
PAT	448	2.71	(388)	(2.23)	1,517	6.35	1,942	10.26	3,519	4.58
EPS	1.03		(0.89)		3.49		4.46		8.09	

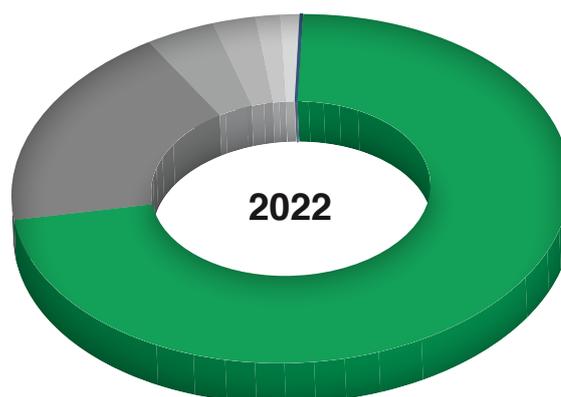
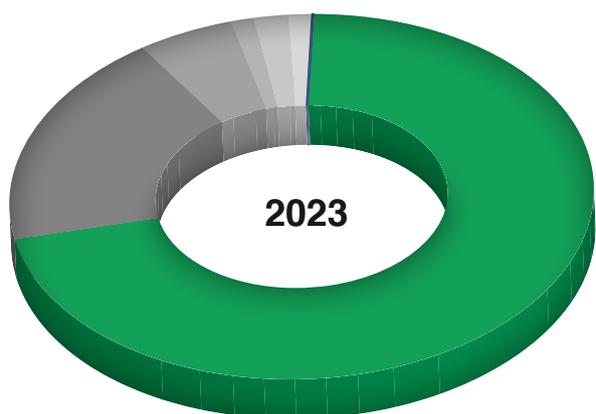


Earnings Per Share



STATEMENT OF VALUE ADDITION

	2023		2022	
	Rs. in '000	%	Rs. in '000	%
Wealth Generated:				
Sales including sales tax	88,144,075	99.8	104,026,642	99.8
Other operating income	155,796	0.2	200,971	0.2
	88,299,871	100	104,227,613	100.0
Wealth Distributed:				
Cost of material & Services	62,946,413	71.3	75,225,174	72.2
To Employees				
Salaries & other related cost	1,153,667	1.3	1,208,452	1.2
To Government				
Taxes	16,369,261	18.5	18,940,559	18.2
Worker Profit Participation Fund	277,332	0.3	430,148	0.4
Workers Welfare Fund	73,733	0.1	172,059	0.2
	16,720,326	18.9	19,542,766	18.8
To Providers of Capital				
Dividend to Shareholders	2,392,500	2.7	2,827,500	2.7
Finance cost	2,264,167	2.6	1,322,584	1.3
	4,656,667	5.3	4,150,084	4.0
To Society				
Donation	55,660	0.1	85,590	0.1
Retained in the business				
For replacement of fixed assets				
Depreciation & Amortization	1,696,508	1.9	1,516,447	1.5
To provide for growth: Retained profit	1,126,290	1.3	2,584,690	2.5
	2,822,798	3.2	4,101,137	3.9
	88,299,871	100	104,227,613	100.0



	2023	2022
	%	
Cost of material & Services	71.3	72.2
To Government	18.9	18.8
To Providers of Capital	5.3	4.0
Retained profit	1.3	2.5
Depreciation & Amortization	1.9	1.5
To Employees	1.3	1.2
To Society	0.1	0.1

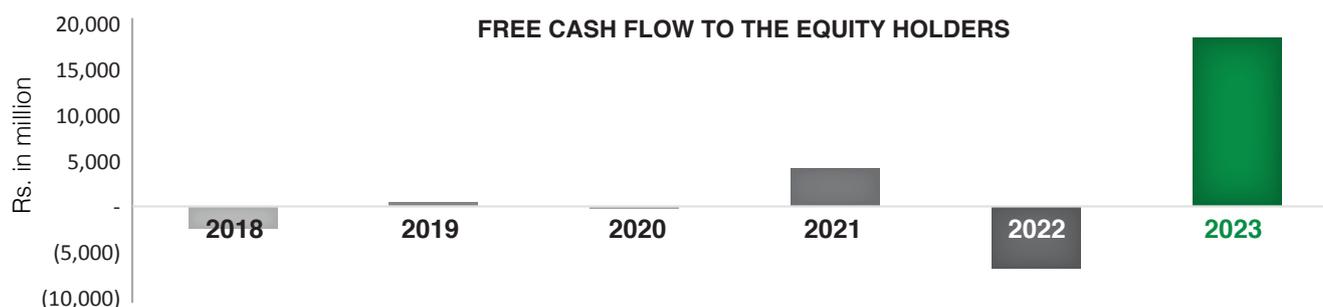
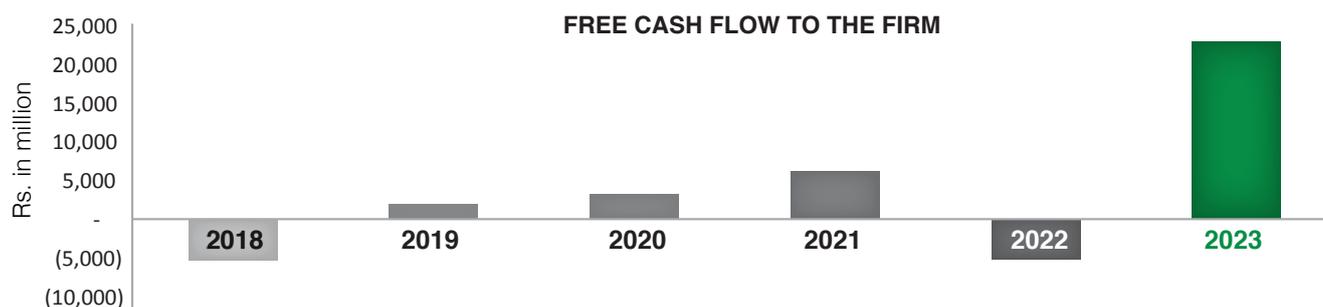
STATEMENT OF CASH FLOWS - DIRECT METHOD

For The Year Ended 30 June 2023

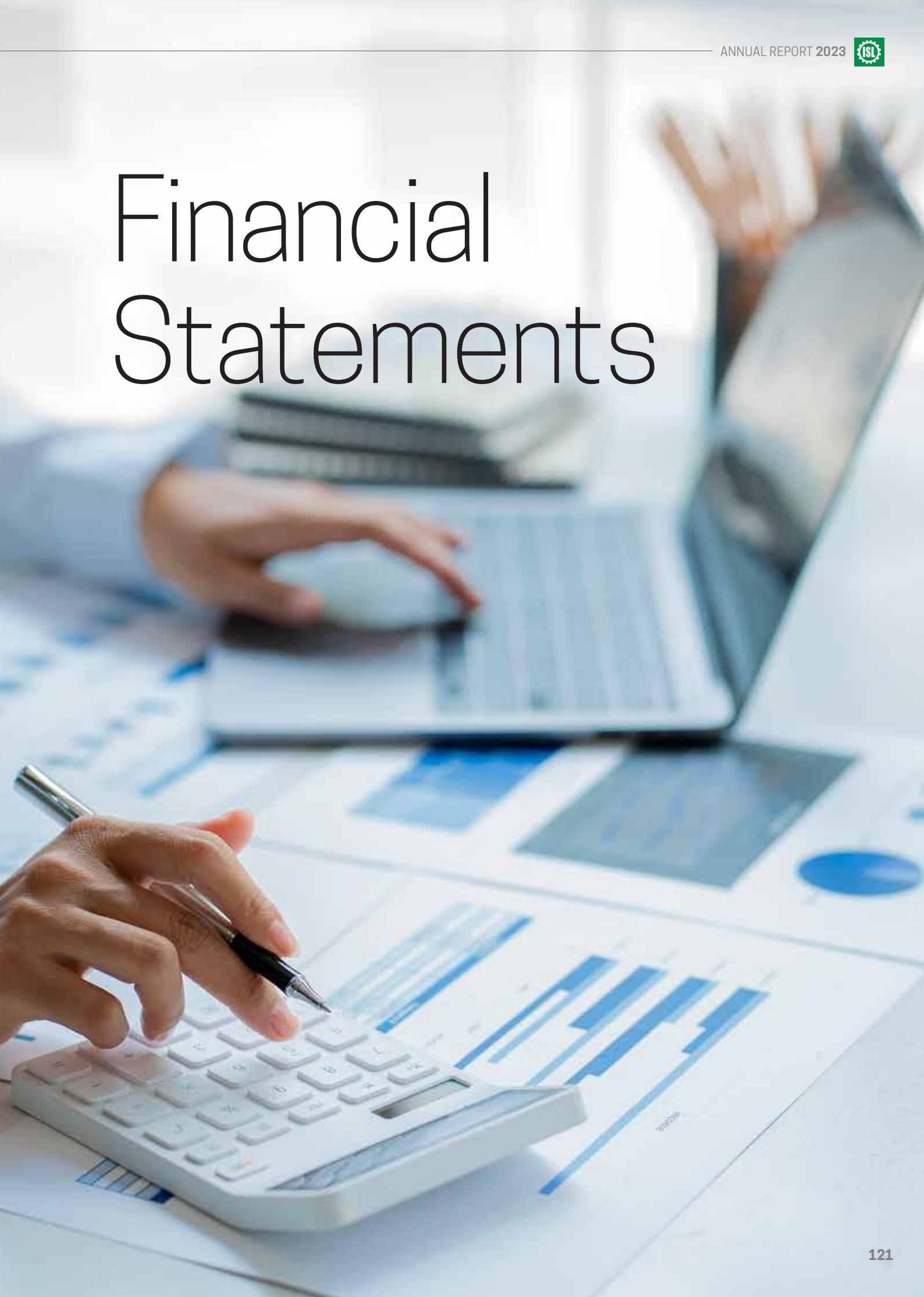
	2023	2022
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	88,451,473	104,343,380
Cash paid to suppliers / service providers and employees	(62,498,624)	(103,818,400)
Worker fund	(586,816)	(763,714)
Sales tax refund / (payment)	1,258,864	(163,197)
Finance cost paid	(2,296,540)	(1,101,392)
Income on bank deposits received	89,310	26,685
Staff gratuity paid	(63,012)	(48,054)
Compensated absences paid	(10,618)	(4,045)
Income tax paid	(1,982,315)	(1,924,504)
Net cash generated / (used in) generated from operating activities	22,361,723	(3,453,241)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(1,410,727)	(1,831,971)
Proceeds from disposal of property, plant and equipment	53,932	120,904
Investments in Term Deposit Receipt	(384,000)	-
Net cash used in investing activities	(1,740,795)	(1,711,067)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term finance	245,465	616,189
Repayment of long term finance	(3,070,248)	(1,475,612)
Proceeds short term borrowings - net	(3,882,781)	2,712,924
Lease liability	(23,366)	(22,029)
Dividend paid	(3,262,777)	(3,913,497)
Net cash used in from financing activities	(9,993,707)	(2,082,025)
Net Increase / (decrease) in cash and cash equivalents	10,627,221	(7,246,333)
Cash and cash equivalents at beginning of the year	(9,530,310)	(2,283,977)
Cash and cash equivalents at end of the year	1,096,911	(9,530,310)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	1,381,136	896,462
Short term borrowings - running finance (secured)	(284,225)	(10,426,772)
	1,096,911	(9,530,310)

FREE CASH FLOW

	2023	2022	2021	2020	2019	2018
Free cash flow to the firm	(Rs. in Million)					
Profit before taxation	5,191	8,001	10,295	442	3,679	5,803
Finance cost	2,264	1,323	812	2,315	1,289	539
Operating Profit	7,456	9,323	11,107	2,757	4,968	6,342
Effective tax rate	32.23%	32.36%	27.47%	-11.91%	27.58%	24.79%
Net operating profit after tax	5,053	6,306	8,055	3,085	3,598	4,770
Depreciation and Amortization	1,697	1,516	1,538	1,403	1,078	858
Capital expenditure incurred	(1,411)	(1,832)	(515)	(2,210)	(2,280)	(5,492)
Changes in working capital	17,568	(11,212)	(2,831)	952	(390)	(5,444)
Free cash flow to the firm	22,907	(5,222)	6,247	3,230	2,006	(5,308)
Free cash flow to the Equity holders						
Free cash flow to the firm	22,907	(5,222)	6,247	3,230	2,006	(5,308)
Net borrowing - (repaid) / raised	(2,825)	(860)	(1,324)	(747)	(693)	3,152
Interest payment - net of tax	(1,556)	(745)	(677)	(2,671)	(826)	(340)
Free cash flow to the Equity holders	18,526	(6,826)	4,246	(188)	487	(2,496)



Financial Statements





A.F.FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT

To the members of International Steels Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof 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 June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



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Following is the key audit matter:

S. No. Key audit matter

- (i) **Revenue from contracts with customers**
(Refer note 3.10 and note 24 to the financial statements)

The Company recognizes revenue from the sale of cold rolled, galvanized and colour coated steel coils and sheets to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. During the year, net sales to the domestic and export customers have decreased significantly by 11.6% and 33.2%, respectively, which is substantially due to decrease in quantity sold.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has decreased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.

How the matter was addressed in our audit

Our audit procedures amongst others included the following:

- evaluated management controls over revenue and checked their validation;
- performed verification of sales with underlying documentation including gate pass, delivery order and invoice;
- performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period;
- verified that sales prices are negotiated and approved by appropriate authority;
- recalculated the commission as per Company's policy and verified related distribution expenses; and
- ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Financial Statements and Auditor's 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 auditor's 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.



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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 the 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.

Auditor's 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 auditor's 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our



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conclusions are based on the audit evidence obtained up to the date of our auditor's 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 auditor's 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



A.F. Ferguson & Co.
Chartered Accountants
Karachi.

Date: August 31, 2023

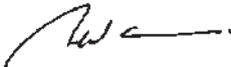
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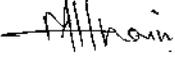
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

		30 June	30 June
	Note	2023	2022
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	20,304,569	20,749,605
Right-of-use assets	5.1	43,839	63,725
Intangible assets	6	309,580	176,866
Long term deposit with Central Depository Company of Pakistan Limited		100	100
		20,658,088	20,990,296
CURRENT ASSETS			
Stores and spares	7	1,004,646	904,026
Stock-in-trade	8	17,261,712	30,196,653
Trade debts	9	1,148,499	1,034,132
Receivable from K-Electric Limited (KE)		16,685	32,874
Advances, trade deposits and prepayments	10	55,862	110,795
Staff retirement benefits	11	-	-
Sales tax receivable		480,954	1,739,818
Cash and bank balances	13	1,765,136	896,462
		21,733,494	34,914,760
		42,391,582	55,905,056
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	14	4,350,000	4,350,000
Revenue reserve			
Unappropriated profit		15,146,402	14,835,313
Capital reserve			
Revaluation surplus on property, plant and equipment	15	2,187,478	2,410,776
		21,683,880	21,596,089
TOTAL SHAREHOLDERS' EQUITY			
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	16	1,005,986	2,778,846
Deferred income - government grant	17	126,738	136,550
Gas Infrastructure Development Cess	18.1	148,993	426,521
Deferred taxation - net	19	1,989,947	1,705,161
Lease liabilities	5.2.1	29,426	48,786
		3,301,090	5,095,864
CURRENT LIABILITIES			
Trade and other payables	20	10,712,974	6,470,477
Contract liabilities	21	1,816,607	2,290,226
Short term borrowings - secured	22	3,334,225	17,359,553
Unpaid dividend		1,527	-
Unclaimed dividend		8,497	10,301
Current portion of long term financing - secured	16	377,378	1,419,495
Current portion of lease liabilities	5.2.1	19,859	16,155
Taxation - net	12	920,894	1,375,883
Accrued mark-up		214,651	271,013
		17,406,612	29,213,103
		20,707,702	34,308,967
TOTAL LIABILITIES			
CONTINGENCY AND COMMITMENTS			
	23		
TOTAL EQUITY AND LIABILITIES			
		42,391,582	55,905,056

The annexed notes from 1 to 44 form an integral part of these financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer

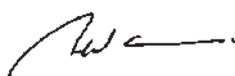

Yousuf H. Mirza
 Chief Executive
 Officer

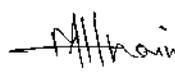


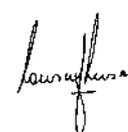
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022	
(Rupees in '000)			
Revenue from contracts with customers	24	76,753,334	91,423,698
Cost of sales	25	(66,145,658)	(79,042,389)
Gross profit		10,607,676	12,381,309
Selling and distribution expenses	26	(997,224)	(1,563,129)
Administrative expenses	27	(389,057)	(339,808)
		(1,386,281)	(1,902,937)
Operating profit		9,221,395	10,478,372
Finance cost	28	(2,264,167)	(1,322,584)
Other operating charges	29	(1,921,613)	(1,356,009)
		(4,185,780)	(2,678,593)
Other income	30	155,796	200,971
Profit before income tax		5,191,411	8,000,750
Income tax expense	31	(1,672,621)	(2,588,560)
Profit for the year		3,518,790	5,412,190
Earnings per share - basic and diluted			
	32	8.09	12.44

The annexed notes from 1 to 44 form an integral part of these financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer


Yousuf H. Mirza
 Chief Executive
 Officer



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	(Rupees in '000)	
Profit for the year	3,518,790	5,412,190
Other comprehensive income for the year		
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>		
Remeasurements of staff retirement benefits	11.2.10 (29,009)	(18,525)
Revaluation of property, plant and equipment	-	1,489,762
Related deferred tax charge for the year	(139,490)	(259,978)
Other comprehensive income for the year - net of tax	(168,499)	1,211,259
Total comprehensive income for the year	3,350,291	6,623,449

The annexed notes from 1 to 44 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Mujtaba Hussain
Chief Financial
Officer

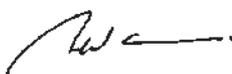
Yousuf H. Mirza
Chief Executive
Officer

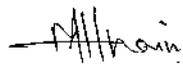
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed & paid-up capital	Revenue reserve- unappropriat- ed profit	Capital reserve- Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)			
Balance as at July 01, 2021	4,350,000	13,317,354	1,220,286	18,887,640
Profit for the year	-	5,412,190	-	5,412,190
Other comprehensive income for the year	-	(13,153)	1,224,412	1,211,259
Total comprehensive income for the year	-	5,399,037	1,224,412	6,623,449
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	33,922	(33,922)	-
Transactions with owners in their capacity as owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 70% (Rs. 7.00 per share) for the year ended June 30, 2021	-	(3,045,000)	-	(3,045,000)
- Interim dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2022	-	(870,000)	-	(870,000)
	-	(3,915,000)	-	(3,915,000)
Balance as at June 30, 2022	4,350,000	14,835,313	2,410,776	21,596,089
Profit for the year	-	3,518,790	-	3,518,790
Other comprehensive income for the year	-	(20,596)	(147,903)	(168,499)
Total comprehensive income for the year	-	3,498,194	(147,903)	3,350,291
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	75,395	(75,395)	-
Transactions with owners in their capacity as owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 45% (Rs. 4.50 per share) for the year ended June 30, 2022	-	(1,957,500)	-	(1,957,500)
- Interim dividend @ 30% (Rs. 3.00 per share) for the year ended June 30, 2023	-	(1,305,000)	-	(1,305,000)
	-	(3,262,500)	-	(3,262,500)
Balances as at June 30, 2023	4,350,000	15,146,402	2,187,478	21,683,880

The annexed notes from 1 to 44 form an integral part of these financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer


Yousuf H. Mirza
 Chief Executive
 Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from / (used in) operations

Finance cost paid	
Income on bank deposits received	
Staff retirement benefits paid	
Payment on account of compensated absences	
Income tax paid	

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for acquisition of property, plant and equipment	
Payment for acquisition of intangible asset	
Proceeds from disposal of property, plant and equipment	
Investments in Term Deposit Receipt	

Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long term financing	
Repayment of long term financing	
Short term borrowings - net	
Lease rentals paid	
Dividend paid	

Net cash used in financing activities

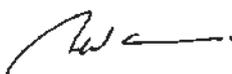
Net increase / (decrease) in cash and cash equivalents

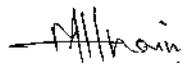
Cash and cash equivalents at beginning of the year

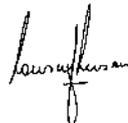
Cash and cash equivalents at end of the year

Note	2023	2022
(Rupees in '000)		
	26,624,898	(401,931)
33	(2,296,540)	(1,101,392)
	89,310	26,685
11.2.9	(63,012)	(48,054)
	(10,618)	(4,045)
12	(1,982,315)	(1,924,504)
	(4,263,175)	(3,051,310)
	22,361,723	(3,453,241)
	(1,277,643)	(1,655,678)
	(133,084)	(176,293)
	53,932	120,904
	(384,000)	-
	(1,740,795)	(1,711,067)
	245,465	616,189
	(3,070,248)	(1,475,612)
	(3,882,781)	2,712,924
5.2.1	(23,366)	(22,029)
	(3,262,777)	(3,913,497)
	(9,993,707)	(2,082,025)
	10,627,221	(7,246,333)
	(9,530,310)	(2,283,977)
34	1,096,911	(9,530,310)

The annexed notes from 1 to 44 form an integral part of these financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer


Yousuf H. Mirza
 Chief Executive
 Officer



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. STATUS AND NATURE OF BUSINESS

International Steels Limited (the Company) was incorporated on September 03, 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is domiciled in the province of Sindh. The Company was listed on the Pakistan Stock Exchange Limited on June 01, 2011. The Company is subsidiary of International Industries Limited (the Holding Company) which holds 245,055,543 (2022: 245,055,543) shares of the Company as at June 30, 2023 representing 56.3% (2022: 56.3%) of the shareholding of the Company.

The net assets of the Steel Project Undertaking of International Industries Limited (the Holding Company), amounting to Rs. 4,177.167 million determined as at August 23, 2010 (day immediately preceding the completion date) in accordance with the Scheme of Arrangement, were transferred to the Company on August 24, 2010. In consideration of transferring to and vesting the Steel Project Undertaking in the Company, 417,716,700 fully paid-up ordinary shares were issued at par value to the Holding Company.

The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. The Company commenced commercial operations on January 01, 2011. The registered office of the Company is situated at 101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi - 75530.

The manufacturing facilities of the Company are situated at 399-405, Rehri Road, Landhi Industrial Area, and Plot No. LE-73-79,102-103, 112-118, 125-129, Survey No. NC.98, near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi.

The Company has sales offices at following locations:

- Chinoy House, 6-Bank Square, Lahore - 54000
- Office No. 303-A 3rd Floor Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and
- Office No. 708-A, The United Mall, plot No. 74, Abdali Road, Multan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, freehold land and buildings thereon that are stated at fair values determined by an independent valuer.



2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Lease liability and Right-of-use assets (note 3.1)
- Property, plant and equipment (note 3.2)
- Intangible assets (note 3.3)
- Trade debts, advances (note 3.4.2.1)
- Stores and spares (note 3.5)
- Stock-in-trade (note 3.6)
- Taxation (note 3.7)
- Staff retirement benefits (note 3.8)
- Impairment (note 3.12)
- Provisions (note 3.13)
- Contingent liabilities (note 3.14)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

3.1 Lease liability and Right-of-use assets

The Company, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The Company has various lease agreements for head office and sales offices which were previously classified by the Company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for all the leases - i.e. these leases are on statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



3.2 Property, plant and equipment

3.2.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land are stated at revalued amounts and buildings on freehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment, if any. The costs of property, plant and equipment include:

- (a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of property, plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognized in the statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for freehold land is charged on straight line method at the rates specified in note 4.1 to the financial statements and is generally recognized in statement of profit or loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of freehold land and buildings on freehold land is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land and buildings on freehold land is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognized in the statement of profit or loss, in which case the increase is first recognized in the statement of profit or loss to the extent of the decrease previously charged.



Any decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings.

3.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing costs, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.3 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year, are recognized as an intangible asset.

Indefinite intangible assets

These are stated at cost less impairment, if any.

Definite intangible assets

- a) These are stated at cost less accumulated amortization and impairment, if any.
- b) These are amortized on straight line basis over its estimated useful life(s) of these assets (refer note 6).
- c) Amortization on additions during the year is charged from month in which the asset is intended to use, whereas no amortization is charged from the month the asset is disposed-off.

3.4 Financial instruments

3.4.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement Debt investments at FVOCI These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.



Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognized in the statement of profit or loss.

3.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.4.2.1 Trade debts, advances and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.4.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

3.4.3 Financial liabilities

Financial liabilities are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up, lease liability and trade and other payables. The Company derecognizes the financial liabilities when contractual obligations are discharged or cancelled or expired. Financial liabilities other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

3.4.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset.



3.4.3.2 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized cost.

3.4.3.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. 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 recognized as revenue when the Company performs under the contract.

3.4.4 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognized in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.4.5 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognized in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognized immediately in statement of profit or loss. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realized the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.5 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognized in the statement of profit or loss.

3.6 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw material in transit comprise of invoice value and other charges thereon. Net realizable value signifies the estimated selling price in the ordinary course of the business less net estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realizable value.

3.7 Taxation

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



3.7.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realized the asset and settle the liability.

3.7.2 Deferred tax

Deferred tax is recognized using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.8 Staff retirement benefits

3.8.1 Defined benefit plan

The Company provides gratuity benefits to all its permanent employees who have completed their minimum qualifying period of service i.e. three years (except in case of workers where minimum qualifying period of service is six months). For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service. For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service. The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in statement of profit or loss. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.8.2 Defined contribution plan

The Company provides provident fund benefits to all its officers. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the statement of profit or loss.

3.8.3 Compensated absences

The liability for accumulated compensated absences of employees is recognized in the period in which employees render service that increases their entitlement to future compensated absences.



3.9 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the statement of profit or loss.

3.10 Revenue recognition

- Domestic sales are recognized as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.
- Export sales are recognized as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement.
- Revenue from power generation plant on account of sales of surplus electricity is recognized on transmission of electricity to K-Electric Limited.
- Toll manufacturing / partial manufacturing income is recognized when related services are rendered.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.11 Income on bank deposits and finance cost

The Company's finance income and finance cost includes income on bank deposits and finance cost. Income or expense is recognized using the effective interest rate method.

3.12 Impairment

3.12.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2023 or July 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.



The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

A financial asset is considered irrecoverable (default event) when the counterparty fails to make contractual payments within one year of when they fall due.

3.12.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares, stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

3.13 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflecting current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.14 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, 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 the Company has a present legal or constructive 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 measured with sufficient reliability.

3.15 Segment reporting

Segment results that are reported to the Company's Chief Executive Officer (CEO) - the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office expenses, and tax assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wide disclosures.



The Company does not consider sale of electricity to K-Electric Limited (KE) as separate reportable segment as the power plant of the Company is installed primarily to supply power to its production facilities and currently any excess electricity is sold to KE.

3.16 Dividend and appropriations to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognized as a liability in the period in which these are approved.

3.17 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with Grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.18 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
(Rupees in '000)			
Operating assets	4.1	19,052,667	19,671,436
Capital work-in-progress	4.2	703,715	574,400
Stores and spares held for capital expenditure	4.3	548,187	503,769
		20,304,569	20,749,605

4.1 Operating assets

	(Rupees in '000)					
	Freehold land - revalued - notes 4.1.2 and 4.1.3	Buildings on freehold land - revalued 4.1.2 and 4.1.3	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
Balance as at July 1, 2022						
Cost / revalued amount	2,816,203	3,767,666	20,835,129	172,447	247,244	27,838,689
Accumulated depreciation	-	-	(7,976,631)	(103,443)	(87,179)	(8,167,253)
Accumulated impairment	-	-	-	-	-	-
Net book value (NBV)	2,816,203	3,767,666	12,858,498	69,004	160,065	19,671,436
Additions / adjustments / transfers from capital work in progress note 4.2	-	22,352	901,444	34,551	118,091	1,076,438
Disposals - note 4.1.4						
- Cost	-	(98)	(30,430)	(1,245)	(47,923)	(79,696)
- Accumulated depreciation/ Accumulated impairment	-	14	28,908	1,008	30,811	60,741
	-	(84)	(1,552)	(237)	(17,112)	(18,955)
Depreciation charge - note 4.1.1	-	(267,274)	(1,330,885)	(23,563)	(54,530)	(1,676,252)
Revaluation surplus - note 15						
- Cost	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Balance as at June 30, 2023 (NBV)	2,816,203	3,522,660	12,427,535	79,755	206,514	19,052,667
Gross carrying value as at June 30, 2023						
Cost / revalued amount	2,816,203	3,789,920	21,706,143	205,753	317,412	28,835,431
Accumulated depreciation / Accumulated impairment	-	(267,260)	(9,278,608)	(125,998)	(110,898)	(9,782,764)
Net book value	2,816,203	3,522,660	12,427,535	79,755	206,514	19,052,667
Depreciation rates (% per annum)	-	3 - 10	3 - 50	5 - 50	20	
Balance as at July 1, 2021						
Cost / revalued amount	2,241,441	3,357,439	20,489,805	142,644	179,503	26,410,832
Accumulated depreciation	-	(350,549)	(7,129,745)	(84,320)	(78,048)	(7,642,662)
Accumulated impairment	-	-	(383,369)	-	-	(383,369)
Net Book Value (NBV)	2,241,441	3,006,890	12,976,691	58,324	101,455	18,384,801
Additions / transfer from capital work in progress	-	57,005	1,144,342	31,962	112,785	1,346,094
Disposals						
- Cost	-	(12,451)	(799,018)	(2,159)	(45,044)	(858,672)
- Accumulated depreciation/ Accumulated impairment	-	287	771,321	1,999	33,727	807,334
	-	(12,164)	(27,697)	(160)	(11,317)	(51,338)
Depreciation charge - note 4.1.1	-	(199,065)	(1,234,838)	(21,122)	(42,858)	(1,497,883)
Revaluation surplus - Note 15						
- Cost	574,762	365,673	-	-	-	940,435
- Accumulated depreciation	-	549,327	-	-	-	549,327
	574,762	915,000	-	-	-	1,489,762
Balance as at June 30, 2022 (NBV)	2,816,203	3,767,666	12,858,498	69,004	160,065	19,671,436
Gross carrying value as at June 30, 2022						
Cost / revalued amount	2,816,203	3,767,666	20,835,129	172,447	247,244	27,838,689
Accumulated depreciation/ Accumulated Impairment	-	-	(7,976,631)	(103,443)	(87,179)	(8,167,253)
Net book value	2,816,203	3,767,666	12,858,498	69,004	160,065	19,671,436
Depreciation rates (% per annum)	-	3 - 10	3 - 50	5 - 50	20	



Operating assets include fully depreciated assets having cost of Rs. 1,754.63 million (2022: Rs. 449.66 million)

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
(Rupees in '000)			
Cost of sales	25	1,477,909	1,359,285
Selling and distribution expenses	26	14,054	13,056
Administrative expenses	27	16,456	14,050
Income from power generation	30.1	167,833	111,491
		1,676,252	1,497,882

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total area	Forced sales value (Rupees in '000)
Manufacturing plant	399-405, Rehri Road, Landhi Town, City District Government, Karachi.	157,058 Sq. Yd.	4,035,909
	Plot No. LE-73-79, 102-103, 112-118, 125-129 Survey No. NC. 98, near Arabian Country Club, NIP, Bin Qasim Industrial Park, Karachi.	653,400 Sq. Ft.	1,120,524
Office premises	Office No. 203, 2nd Floor, Beaumont Plaza, 10 Beaumont Road, Karachi.	1,794, Sq. Ft.	25,121
Multan Plot	Khewat No. (B) 38, 114, 302, Khatooni No. 127,475, 1114, Mouza Laar, Bahawalpur Road, Multan.	372,711 Sq. Ft.	90,910

4.1.3 The revaluation of freehold land and buildings thereon including Multan plot and manufacturing facility of National Industrial Park, Bin Qasim Industrial Park Karachi was carried out as of June 30, 2022 by MYK Associates (Private) Limited (an independent valuer who is located in Karachi) on the basis of their professional assessment of present market values based on their methodology for estimating the cost of land of similar nature, size and location including consideration of cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition. The revaluation resulted in a surplus on revaluation amounting to Rs. 1,489.76 million which was incorporated in the books of the Company as at June 30, 2022.

The Company commissioned independent valuation of freehold land and buildings thereon after every three years, during the years ended June 30, 2013, June 30, 2016, June 30, 2019 and June 30, 2022.

The carrying amount of the aforementioned assets as at June 30, 2023, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
(Rupees in '000)			
Freehold land	1,455,541	-	1,455,541
Buildings on freehold land	3,161,321	(998,273)	2,163,048
As at June 30, 2023	4,616,862	(998,273)	3,618,589
As at June 30, 2022	4,594,608	(844,155)	3,750,453

4.1.4 Details of property, plant and equipment disposed off, having net book value in excess of five hundred thousand rupees or more each are as follows:

	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
(Rupees in '000)								
Vehicles								
Honda City 1.5 Cvt	2,917	486	2,431	3,250	819	Negotiation	Yaseen Motors	Third Party
Toyota Yaris Ativ Automatic	2,926	732	2,194	3,766	1,572	As per Policy	Mr. Mubashir Anis	Employee
Toyota Yaris Ativ Automatic	2,675	580	2,095	3,100	1,005	Negotiation	Itehad Motors	Third Party
Toyota Yaris Ativ Automatic	2,675	802	1,873	3,400	1,527	As per Policy	Mr. Saad Alam	Employee
Suzuki Alto VXL	1,521	330	1,191	2,131	940	Negotiation	Itehad Motors	Third Party
Suzuki Alto VXR	1,335	289	1,046	1,750	704	As per Policy	Mr. Usman Younus	Employee
Honda City Manual	2,407	1,364	1,043	2,500	1,457	As per Policy	Mr. Mehfooz Alam	Employee
Suzuki Alto VXR	1,335	356	979	1,683	704	As per Policy	Mr. Uzair Riaz Gillani	Employee
Suzuki Cultus VXR	1,745	1,047	698	2,025	1,327	Negotiation	Yaseen Motors	Third Party
Suzuki Cultus VXR	1,745	1,047	698	1,445	747	As per Policy	Mr. Jamal Hasan	Employee
Suzuki Alto VXR	1,327	796	531	1,718	1,187	Negotiation	Itehad Motors	Third Party
Toyota Corola	1,949	1,429	520	2,052	1,532	As per Policy	Mr. Ahsan Khan	Employee
	24,557	9,258	15,299	28,820	13,521			
Plant and Machinery								
Backup Roll with Ring Dia 1100mm 4Hi Brc	15,348	14,581	767	3,082	2,315	Negotiation	Zafar Associates	Third Party
Backup Roll with Ring Dia 1100mm 4Hi Brc	15,081	14,327	754	3,076	2,322	Negotiation	Zafar Associates	Third Party
	30,429	28,908	1,521	6,158	4,637			
Total	54,986	38,166	16,820	34,978	18,158			

4.2 Capital work-in-progress

	2023				2022			
	Cost As at July 01, 2022	Additions	(Transfers) / Adjustments	As at June 30, 2023	Cost As at July 01, 2021	Additions	(Transfers) / Adjustments	As at June 30, 2022
(Rupees in '000)								
Buildings on freehold land	6,621	36,242	(22,352)	20,511	10,505	53,121	(57,005)	6,621
Plant and machinery	547,279	969,490	(901,444)	615,325	127,023	1,564,598	(1,144,342)	547,279
Furniture, fixtures, computer and office equipment	10,687	50,065	(34,551)	26,201	6,930	35,719	(31,962)	10,687
Vehicles	9,813	149,956	(118,091)	41,678	6,535	116,063	(112,785)	9,813
	574,400	1,205,753	(1,076,438)	703,715	150,993	1,769,501	(1,346,094)	574,400



4.3 Stores and spares held for capital expenditure

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	503,769	643,823
Additions during the year	271,081	260,759
Transfers / adjustments made during the year	(199,195)	(374,582)
Provision for obsolescence against capital spares	(27,468)	(26,231)
Balance at end of the year	548,187	503,769

5. LEASES

5.1 Right-of-use assets

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		63,725	19,318
Additions		-	67,164
Termination/re-assessment of leases		-	(4,504)
Depreciation charge during the year	5.1.1	(19,886)	(18,253)
Balance at end of the year		43,839	63,725

5.1.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

		2023	2022
		(Rupees in '000)	
Selling and distribution expenses	26	16,393	15,088
Administrative expenses	27	3,493	3,165
		19,886	18,253

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Finance charge of 15% (2022: 15% to 7.90%) per annum have been used as discounting factor.

5.2.1 Set out below the carrying amount of lease liabilities and the movements during the year:

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		64,941	22,663
Additions		-	67,164
Re-assessment / termination of leases		-	(5,533)
Interest expense	28	7,710	2,677
Payments		(23,366)	(22,030)
Balance at end of the year		49,285	64,941
Current portion		19,859	16,155
Non-current portion		29,426	48,786
		49,285	64,941

5.2.2 Lease liabilities payable
are as follows:

	2023			2022		
	(Rupees in '000)					
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	25,272	(5,413)	19,859	24,164	(8,009)	16,155
Between one and five years	29,937	(511)	29,426	56,991	(8,205)	48,786
	55,209	(5,924)	49,285	81,155	(16,214)	64,941

6. INTANGIBLE ASSETS

	Note	2023	2022
		(Rupees in '000)	
Operating intangible assets		547	573
Capital work in progress (CWIP)	6.2	309,033	176,293
		309,580	176,866
Operating intangible assets			
Net book value at beginning of the year		573	885
Addition		344	-
Amortization	6.3	(370)	(312)
Net book value at end of the year		547	573
Gross carrying value as at 30 June			
Cost		23,267	23,267
Addition		344	-
Accumulated amortization		(23,064)	(22,694)
Net book value		547	573
Amortization rate (% per annum)		20% - 33.33%	20% - 33.33%

6.1 Intangible assets comprise computer software.

6.2 This includes capitalization of Advanced Supply Chain Software, Delmia Quintiq solutions, amounting to Rs. 292.97 million (2022: Rs. 171.16 million)

6.3 Total amount of amortization has been charged to cost of sales in these financial statements.

7. STORES AND SPARES

	2023	2022
	(Rupees in '000)	
Stores	528,556	425,855
Spares	684,275	690,907
Loose tools	12,131	15,399
	1,224,962	1,132,161
Less: Provision for net realizable value written down	(220,316)	(228,135)
	1,004,646	904,026

8. STOCK-IN-TRADE

	2023	2022
	(Rupees in '000)	
Raw material - in hand	5,862,618	12,626,302
- in transit	3,594,350	4,712,547
	9,456,968	17,338,849
Work-in-process	470,796	5,315,424
Finished goods	7,306,129	7,470,757
Scrap material	22,876	22,104
By-products	4,943	49,519
	17,261,712	30,196,653



9. TRADE DEBTS - considered good

	Note	2023	2022
(Rupees in '000)			
- Secured	9.1 & 9.2	731,853	775,877
- Unsecured	9.2	416,646	258,255
		1,148,499	1,034,132

9.1 These include trade debts arising on account of export sales of Rs. 568.57 million (2022: Rs. 622.36 million) which are secured by way of Export Letters of Credit and Rs. 163.29 million (2022: Rs. 153.52 million) arising on account of domestic sales which are secured by way of Inland Letters of Credit.

9.2 These also include receivable from IIL Australia PTY Limited and Pakistan Cables Limited - related parties amounting to Rs. 71.78 million (2022: Rs. 124.51 million) and Rs.3.30 million (2022: Nil) respectively and Sumitomo Corporation - an associated company amounting to Rs. 132.14 million (2022: Nil) which are not past due as at year end.

9.2.1 The maximum aggregate amount due from the related parties at the end of any month during the year is Rs. 1,559.25 million (2022: Rs. 1,287.12 million).

9.3 The ageing of trade debts receivable from other than related parties as at the reporting date is as under:

	2023	2022
(Rupees in '000)		
Not yet due	885,124	521,688
Past due 1-60 days	56,091	387,869
Past due 61 days	56	56
	941,271	909,613

10. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

	Note	2023	2022
(Rupees in '000)			
Advances to suppliers - considered good	10.1	17,208	58,091
Trade deposits	10.1	28,494	44,194
Prepayments		10,160	8,510
		55,862	110,795

10.1 These advances and trade deposits are non-interest bearing.



11. STAFF RETIREMENT BENEFITS

11.1 Defined contribution plan

Staff Provident Fund

All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

11.2 Defined benefit scheme

Staff Gratuity Fund

11.2.1 As stated in note 3.8 the company operates approved funded defined benefit gratuity plan for all permanent employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

11.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees among its employees.

11.2.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 6 months, 3, 5 or 10 years Regular Income Certificates, Defence Savings Certificates, Treasury Bills and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

11.2.4 Funding

The gratuity plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

11.2.5 The actuarial valuation of gratuity was carried out at June 30 by an independent actuary under projected unit credit method using the following assumptions:



	2023	2022
Financial assumptions		
Discount rate	15.75%	13.50%
Expected rate of salary increase	14.75%	12.50%
Demographic assumptions		
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Rates of employee turnover	Moderate	Moderate
Retirement assumption	Age 60 years	Age 60 years

11.2.6 The amounts recognized in statement of financial position are as follows:

	Note	2023	2022
		(Rupees in '000)	
Present value of defined benefit obligation	11.2.7	369,504	294,026
Fair value of plan assets	11.2.8	(369,504)	(294,026)
Asset as at 30 June		-	-

11.2.7 Movements in the present value of defined benefit obligation

	2023	2022
	(Rupees in '000)	
Present value of defined benefit obligation - beginning of the year	294,026	237,868
Current service cost	36,246	31,195
Interest cost	39,086	24,121
Remeasurements: Actuarial losses on obligation	9,142	5,919
Benefits paid	(8,996)	(5,077)
Present value of defined benefit obligation	369,504	294,026

11.2.8 Movements in the fair value of plan assets

	2023	2022
	(Rupees in '000)	
Fair value of plan assets - beginning of the year	294,026	237,868
Interest income on plan assets	41,329	25,787
Return on plan assets, excluding interest income	(19,867)	(12,607)
Benefits paid	(8,996)	(4,955)
Benefits due but not paid	-	(121)
Contribution to fund	63,012	48,054
Fair value of plan assets - end of the year	369,504	294,026



11.2.9 Movement in net defined benefit liability

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	-	-
Re-measurements recognized in other comprehensive income during the year	29,009	18,525
Expense chargeable to statement of profit or loss	34,003	29,529
Contribution paid during the year	(63,012)	(48,054)
Balance at end of the year	-	-

11.2.10 Amount recognized in total comprehensive income

The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:

	2023	2022
	(Rupees in '000)	
<i>Component of defined benefit costs recognized in statement of profit or loss</i>		
Current service cost	36,246	31,195
Net interest cost		
- Interest cost on defined benefit obligation	39,086	24,121
- Return on plan assets	(41,329)	(25,787)
	34,003	29,529
<i>Component of defined benefit costs (re-measurement) recognized in other comprehensive income</i>		
Re-measurements: Actuarial (gain) / loss on obligation		
- Loss due to change in experience adjustments	9,142	5,919
- Return on plan assets	19,867	12,606
Net re-measurement recognized in other comprehensive income	29,009	18,525
Total defined benefit cost recognized in statement of profit or loss and other comprehensive income	63,012	48,054

11.2.11 Components of defined benefit cost for the next year

	2023	2022
	(Rupees in '000)	
Current service cost	42,183	36,246
Interest expense on defined benefit obligation	56,806	38,664
Return on plan assets	(60,533)	(41,680)
Net interest cost	(3,727)	(3,016)
Cost for the next year to be recognized in statement of profit or loss	38,456	33,230

The contribution in relation to gratuity benefit for the year ending June 30, 2024 is expected to be same as the expense.

11.2.12 Composition of fair value of plan assets

	2023		2022	
	Fair value (Rupees in '000)	Percentage	Fair value (Rupees in '000)	Percentage
Government securities	258,272	69.90%	180,346	61.34%
Shares - listed	65,742	17.79%	47,702	16.22%
Bank deposits	45,490	12.31%	65,978	22.44%
Fair value of plan assets	369,504	100.00%	294,026	100.00%

11.2.13 The Company ensures asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

11.2.14 Maturity profile of the defined benefit obligation

	2023	2022
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	17,668	15,249
Two years	26,769	18,509
Three years	20,421	25,635
Four years	80,762	18,266
Five years	26,924	66,978
Six years and onwards	15,142,368	8,867,627

11.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2023	2022
	(Rupees in '000)	
Actuarial liability		
Discount rate + 1%	334,434	264,727
Discount rate - 1%	410,510	328,542
Salary increase + 1%	411,056	329,017
Salary increase - 1%	333,381	263,823
	(Number in years)	
Weighted average duration of the Defined Benefit Obligation	10	11

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.



12. TAXATION - NET

	Note	2023	2022
		(Rupees in '000)	
Tax payable at beginning of the year		(1,375,883)	(125,012)
Tax payments / adjustments made during the year		1,982,315	1,924,504
		606,432	1,799,492
Less: Provision for tax - current	31	(1,527,326)	(3,175,375)
Tax payable at end of the year		(920,894)	(1,375,883)

13. CASH AND BANK BALANCES

	Note	2023	2022
		(Rupees in '000)	
Cash at bank			
Conventional			
In current accounts in local currency		630,750	494,313
In current accounts in foreign currency		521,808	402,149
Term deposit receipt	13.1	384,000	-
		1,536,558	896,462
Islamic			
In current account in local currency		77,469	-
In current account in foreign currency		151,109	-
		1,765,136	896,462

13.1 These include investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million (June 30, 2022: Nil) having mark-up of 19.85%. The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

14. SHARE CAPITAL

Authorized share capital

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
500,000,000	500,000,000	Ordinary shares of Rs. 10 each	5,000,000	5,000,000

Issued, subscribed and paid-up capital

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
30,000	30,000	Fully paid ordinary shares of Rs. 10 each issued for cash	300	300
417,716,700	417,716,700	Fully paid ordinary shares of Rs. 10 each issued against transfer of net assets	4,177,167	4,177,167
17,253,300	17,253,300	Fully paid ordinary shares of Rs. 10 each issued as right shares	172,533	172,533
435,000,000	435,000,000		4,350,000	4,350,000

14.1 As at June 30, 2023, the Holding Company and Sumitomo Corporation (an associated company) held 245,055,543 (2022: 245,055,543) and 39,477,657 (2022: 39,477,657) ordinary shares respectively of Rs. 10 each.

15. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT	Note	2023	2022
		(Rupees in '000)	
Freehold land			
Revalued amount as at June 30		1,360,663	785,901
Revaluation during the year		-	574,762
Balance as at June 30		1,360,663	1,360,663
Buildings on freehold land			
Balance at beginning of the year		1,479,032	611,810
Revaluation during the year		-	915,000
Transferred to retained earnings in respect of incremental depreciation charged during the year		(123,598)	(47,778)
Balance at end of the year		1,355,434	1,479,032
Related deferred tax liability	15.2	(528,619)	(428,919)
Balance at end of the year - net of deferred tax		2,187,478	2,410,776

15.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

15.2 Movement in related deferred tax liability	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	428,919	177,425
Tax effect on incremental depreciation transferred to retained earnings	(48,203)	(13,856)
Tax effect on revaluation surplus	147,903	265,350
Balance at end of the year	528,619	428,919

16 LONG TERM FINANCING - Secured	Note	2023	2022
		(Rupees in '000)	
CONVENTIONAL			
Long Term Finance Facility (LTFF)	16.1	655,706	891,386
Temporary Economic Refinance Facility (TERF)	16.2	493,003	442,889
		1,148,709	1,334,275
ISLAMIC			
Islamic Long Term Finance Facility (ILTFF)	16.3	390,027	447,402
Long Term Finance (LTF)		-	2,450,000
Payroll Refinance Scheme	16.4	-	128,820
		390,027	3,026,222
Less: Deferred Income - Government grant	17	(155,372)	(162,156)
Less: Current portion of long term loan:			
CONVENTIONAL			
Long Term Finance Facility (LTFF)		(254,479)	(250,020)
Temporary Economic Refinance Facility (TERF)		(61,625)	-
ISLAMIC			
Islamic Long Term Finance Facility (ILTFF)		(61,274)	(60,655)
Long Term Finance (LTF)		-	(980,000)
Payroll Refinance Scheme		-	(128,820)
		(61,274)	(1,169,475)
		(377,378)	(1,419,495)
		1,005,986	2,778,846

- 16.1** This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks.
- 16.2** This represents finance facility loan obtained from different banks under the SBP's Temporary Economic Refinance Facility available to the Company at below-market interest rate for setting up of new industrial units.
- 16.3** This represents finance facility loan obtained from different banks under the SBP's Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks.
- 16.4** This represents salaries and wages under SBP's Refinance Scheme for Payment of Wages and Salaries at concessionary rates, earmarked from running finance limit. The loan is obtained in six tranches starting from May 2020.
- 16.5 Long term finances utilized under mark-up arrangements**

	Sale price (Rupees in '000)	Purchase price (Rupees in '000)	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount	
						2023	2022
						(Rupees in '000)	
<i>Conventional</i>							
i) LTFF							
Bank Al Habib Limited Assistance for plant and machinery	1,000,000	2,501,562	16 half yearly installments 12-Dec-16	30-May-26	1.00% over SBP Refinance rate	240,432	365,434
United Bank Limited Assistance for plant and machinery	1,000,000	4,675,000	32 quarterly installments 16-Oct-16	15-July-26	1.00% over SBP Refinance rate	219,904	340,463
Allied Bank Limited Assistance for plant and machinery	500,000	578,168	16 half yearly installments 20-Jan-22	20-Jan-32	0.50% over SBP Refinance rate	195,370	185,489
ii) TERF							
National Bank of Pakistan Assistance for plant and machinery	500,000	540,473	16 half yearly installments 06-Apr-21	06-Oct-31	1.25% over SBP Refinance rate	493,003	442,889
						1,148,709	1,334,275
<i>Islamic</i>							
i) ILTFF							
Meezan Bank Limited Assistance for plant and machinery	700,000	792,312	32 quarterly installments 17-Oct-20	13-Mar-30	3.00% over SBP Refinance rate	390,027	447,402
ii) Payroll Refinance Scheme							
Faysal Bank Limited's Payroll finance facility	343,521	348,263	8 quarterly installments 01-Apr-21	31-Dec-22	0.75% - 1.00% over SBP Refinance rate	-	128,820
iii) LTF							
Habib Bank Limited Assistance for plant and machinery	5,000,000	5,625,000	10 half yearly installments 05-Jun-20	05-Dec-24	0.10% over 06 months KIBOR	-	2,450,000
						390,027	3,026,222
						1,538,736	4,360,497

16.5.1 The above loans are secured against joint pari passu charge over fixed assets of the Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs. 13,469 million.

16.5.2 In relation to above borrowings, the Company needs to observe certain financial covenants (such as debt servicing ratio, current ratio, debt equity ratio etc.) and other non financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

16.5.3 During the year, mark-up paid on conventional long term finance is Rs. 55.81 million (2022: Rs. 57.18 million) whereas mark-up paid on Islamic long term finance is Rs. 295.20 million (2022: Rs. 336.01 million).

17. DEFERRED INCOME - GOVERNMENT GRANT

Note	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	162,156	13,449
Deferred grant recognized during the year	9,495	174,937
Government grant recognized in income	(16,279)	(26,230)
Balance at end of the year	155,372	162,156
Less: current portion of deferred income - Government grant	(28,634)	(25,606)
	126,738	136,550

17.1 This represents grant in respect of SBP's Temporary Economic Refinance Facility (TERF) obtained for import of Plant and Machinery.

18. GAS INFRASTRUCTURE DEVELOPMENT CESS

The Honorable Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The Supreme court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under its Section 8(2) to the industrial sector is also available. Further, payment of due GIDC was allowed in 48 installments instead of 24 installments.

The Company has also filed a civil suit before the Honourable High Court of Sindh (SHC) on the ground that the Company has not passed on the burden of Cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Company has recognized GIDC payable with respect to its captive power plant used for self consumption. This payable has been revalued and recorded at its present value by discounting the future cash flows using three year PKRV rate and has booked income of Rs. 20.71 million (2022: Rs.49.42 million), which has been recorded as other income. The unwinding of the GIDC during the year amounts to Rs. 75.31 million (2022: Rs. 76.997 million).

The Company has not recognized GIDC amounting to Rs. 769 million (2022: Rs. 769 million) pertaining to period from 01 July 2011 to 31 Jul 2020 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

Despite the speaking order dated August 13, 2020 by The Supreme court, the Federal Government did not initiate the gas project within six months, therefore, the Company has filed a petition in the SHC challenging the decision of the Supreme court.

18.1 Following is the carrying amount of provision for GIDC and the movement during the year:

Note	2023	2022
	(Rupees in '000)	
Current portion	1,045,410	713,283
Non current portion	148,993	426,521
Total	1,194,403	1,139,804
Balance as at July 01	1,139,804	1,112,221
Remeasurement	(20,712)	(49,414)
Recognized during the year	75,311	76,997
Payments	-	-
Balance as at June 30	1,194,403	1,139,804

19. DEFERRED TAXATION

Deferred tax liability comprises taxable / (deductible) temporary differences in respect of the following:

	Accelerated tax depreciation	Revaluation surplus on buildings	Provision for compensated absences	Unrealized exchange gain	Provision for Infrastructure Cess	Provision for Government levies	Provision for obsolescence against store and spares	Provision for lease liabilities	Gas Infrastructure Development Cess	Total
	(Rupees in '000)									
Balance at July 1, 2022	1,845,349	428,919	(3,640)	5,550	(494,953)	(164)	(48,165)	(3,411)	(24,324)	1,705,161
Charge / (credit) to profit or loss and other comprehensive income for the year	419,659	99,700	(972)	(26,550)	(209,885)	(582)	(4,926)	(1,375)	9,717	284,786
Balance at June 30, 2023	2,265,008	528,619	(4,612)	(21,000)	(704,838)	(746)	(53,091)	(4,786)	(14,607)	1,989,947
Balance at July 1, 2021	2,295,044	177,425	(2,816)	(9,329)	(345,846)	(654)	(39,045)	(5,860)	(36,922)	2,031,997
Charge / (credit) to profit or loss and other comprehensive income for the year	(449,695)	251,494	(824)	14,879	(149,107)	490	(9,120)	2,449	12,598	(326,836)
Balance at June 30, 2022	1,845,349	428,919	(3,640)	5,550	(494,953)	(164)	(48,165)	(3,411)	(24,324)	1,705,161

- 19.1** The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.
- 19.2** Deferred tax liability is restricted to 72.02% (2022: 72.80%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and the current trend of export and local sales ratio will continue to be the same in the foreseeable future.
- 19.3** Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognized using the expected applicable rate.

20. TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Trade creditors	20.1	4,238,059	434,497
Accrued expenses	20.2	2,561,331	2,574,838
Provision for Infrastructure Cess	20.3.1	3,212,439	2,596,977
Workers' Welfare Fund	20.4	251,386	330,148
Workers' Profit Participation Fund	20.6	277,331	430,147
Deferred income - Government grant	17	28,634	25,606
Provision for Government levies	20.7	3,094	778
Short term compensated absences		19,140	17,242
Others		121,560	60,244
		10,712,974	6,470,477

- 20.1** These include payable to Sumitomo Corporation, related party of the Company, amounting to Rs. 3,053 millions (2022: Rs. Nil).
- 20.2** This include current portion of provision for Gas Infrastructure Development Cess amounting to Rs. 1,045.41 million (2022: Rs. 713.28 million) and provision against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs. 717.82 million (2022: Rs. 688.38 million).

- 20.3** The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006 is required to clear the goods on paying 100% of the fee amount involved and furnishing a guarantee / security for the balance amount. Subsequently through Sindh Finance Act 2015 and 2016, the legislation has increased the rate to 1.25%.

The case was decided on June 04, 2021 by the SHC. The SHC declared first four versions of the law unconstitutional and the release of bank guarantees were ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Company was not satisfied with the above orders and filed an appeal with the Supreme Court of Pakistan.

On September 1, 2021, the Supreme Court granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of High Court is valid and enforceable. The court further ordered that imports should be released on submission of fresh bank guarantees equivalent to 100% of the fee amount under the Act.

Bank guarantees issued as per the above mentioned orders amounting to Rs. 3,222.5 million (June 30, 2022: Rs. 2,622.5 million) have been provided to the Excise and Taxation Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis.

20.3.1 Provision for Infrastructure Cess

This represents provision against 100% percent amount guaranteed to Excise and Taxation Officer (refer 20.3 note).

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	2,596,977	1,625,091
Provided during the year	615,462	971,886
Balance at end of the year	3,212,439	2,596,977

- 20.4** The Company filed a constitutional petition in the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. Stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971.

20.5 Workers' Welfare Fund

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		330,148	361,961
Charge on workers' welfare fund	29	73,733	172,060
Payment during the year		(152,495)	(203,873)
Balance at end of the year		251,386	330,148

20.6 Workers' Profit Participation Fund

		2023	2022
		(Rupees in '000)	
Balance at beginning of the year		430,147	553,765
Allocation for the year	29	277,332	430,148
Interest on workers' profit participation fund	28	4,171	6,078
Payment during the year		(434,319)	(559,844)
Balance at end of the year		277,331	430,147

20.7 Provision for Government levies - stamp duty

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	778	2,531
Provided during the year	3,600	2,100
Payment during the year	(1,284)	(3,853)
Balance at end of the year	3,094	778

21. CONTRACT LIABILITIES

Note	2023	2022
	(Rupees in '000)	
Sales commission payable	11,123	14,672
Advances from customers - unsecured	1,805,484	2,275,554
	1,816,607	2,290,226

21.1 100% (2022: 100%) advances from customers included in the contract liabilities balance at the beginning of the year got converted into revenue during the year.

22. SHORT TERM BORROWINGS - SECURED

Note	2023	2022
	(Rupees in '000)	
Conventional		
Short term finance under mark-up arrangement	10,521	1,210,002
Short-term borrowing under Money Market scheme		
Maturing after three months	-	-
Maturing within three months	-	6,950,000
	-	6,950,000
Running finance under Export Refinance Scheme	3,050,000	4,932,781
Islamic		
Short term finance under Running Musharakah	273,704	566,770
Term Musharakah		
Maturing after three months	-	-
Maturing within three months	-	1,700,000
	-	1,700,000
Running Musharakah under Islamic Export Refinance Scheme	-	2,000,000
	3,334,225	17,359,553

22.1 The facilities for short term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from 21.75% to 22.20% (2022: 11.95% to 14.61%) per annum.

22.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The rate of mark-up on this facility is 16.50% to 17.75% (2022: 2.50% to 7.50%) per annum. This facility matures within six months and is renewable.

22.3 The facility is for short term finance under Running Musharakah available from various Islamic Banks for the purpose of meeting working capital requirement. The rate of profit is 22.18% to 22.48% (2022: 11.99% to 12.46%) per annum.

22.4 The Company has availed this year short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 3.00% to 7.50% per annum. This facility matures within six months and is renewable.

22.5 The unavailed facilities as at June 30, 2023 from the above borrowings amounted to Rs. 25,826 million (2022: Rs. 8,900 million).

22.6 The above facilities are secured by way of joint pari passu charge and ranking charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 41,380 million.



23. CONTINGENCY AND COMMITMENTS

23.1 Contingency

Description of the factual basis of the proceedings and relief sought	Name of the Court	Principal parties	Date instituted
A petition was filed before the Sindh High Court seeking order for the issuance of quota for concessionary import under SRO 565; release of 85,000 tons of HRC arrived at the Port in November 2019 and for future shipments.	Sindh High Court	I.S.L vs Federation of Pakistan/Director IOCO/The Chief Collector (South)	4-Nov-19
SHC granted release of 85,000 tons of HRC against submission of bank guarantee for the differential amount of duty & taxes amounting to Rs. 1,651 million. In a separate order SHC instructed the authorities to allow provisional quota subject to submission of bank guarantee for the difference of duty & taxes. As ordered, the Input-Output Co-efficient Organisation (IOCO) is issuing quota equivalent to ordered/shipped quantity of raw material on case to case basis.			

23.2 Commitments

23.2.1 Capital expenditure commitments outstanding as at June 30, 2023 amounted to Rs. Nil (2022: Rs.225.09 million).

23.2.2 Commitments under Letters of Credit for raw materials and spares as at June 30, 2023 amounted to Rs. 8,983.51 million (2022: Rs. 2,791.76 million).

23.2.3 The facilities for opening letters of credit and guarantees from banks as at June 30, 2023 amounted to Rs. 38,300 million (2022: Rs. 32,200 million) and Rs. 8,284 million (2022: Rs. 7,390 million) respectively of which unutilized balance at period end amounted to Rs. 29,316 million (2022: Rs. 29,283 million) and Rs. 7,794.97 million (2022: Rs. 479.00 million) respectively.

23.2.4 Post-dated cheques issued in favour of Collector of Customs for the concession availed on account of special rate of duties and taxes on import of Hot Rolled Coils under SRO 565 and manufacturing bond as at June 30, 2023 amounted to Rs. 2,152 million (2022: Rs. 3,479 million).

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2023	2022
		(Rupees in '000)	
Sale of goods less returns:			
Local	24.1	76,772,842	86,324,979
Export		12,454,646	18,651,733
		89,227,488	104,976,712
Sales tax		(11,390,742)	(12,602,944)
Trade discounts		(411,128)	(172,907)
Sales commission		(672,284)	(777,163)
		(12,474,154)	(13,553,014)
		76,753,334	91,423,698



- 24.1** The domestic sales revenue includes Rs. 9,928.70 million (2022: Rs. 9,154.46 million) on account of sales from manufacturing facility located at National Industrial Parks, Bin Qasim Industrial Park, Karachi which is a Special Economic Zone.

24.2 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	2023	2022
	(Rupees in '000)	
Primary geographical markets		
Local	64,298,688	72,771,965
Asia	3,852,369	6,698,130
Europe	568,722	1,315,430
Australia	209,436	688,942
North and South America	7,730,921	9,267,347
Africa	93,198	681,884
	76,753,334	91,423,698
Major product lines		
Cold rolled	31,196,823	36,864,583
Galvanized product	42,478,677	51,326,781
By-product	3,077,834	3,232,334
	76,753,334	91,423,698

	Note	2023	2022
		(Rupees in '000)	
25. COST OF SALES			
Raw material consumed		56,535,574	78,799,100
Manufacturing overheads			
Salaries, wages and benefits	25.1	774,672	829,863
Electricity, gas and water		1,627,410	1,533,200
Insurance		36,191	33,109
Security and janitorial		42,170	35,755
Depreciation	4.1.1	1,477,909	1,359,285
Amortization	6	370	312
Stores and spares consumed		153,108	147,053
(Reversal) / Provision for net realizable value written down against stores and spares		(7,819)	77,127
Provision for capital spares		27,467	26,231
Repairs and maintenance		186,477	154,427
Postage, telephone and stationery		6,659	6,720
Vehicle, travel and conveyance		89,632	48,489
Internal material handling		30,285	26,719
Environment management expense		6,486	6,918
Computer stationery and software support fees		86,561	29,275
Sundries		19,446	34,243
		4,557,024	4,348,726
		61,092,598	83,147,826
Work-in-process			
Opening stock		5,315,424	1,853,342
Closing stock	8	(470,796)	(5,315,424)
		4,844,628	(3,462,082)
Cost of goods manufactured		65,937,226	79,685,744
Finished goods, scrap material and by-products:			
Opening stock		7,542,380	6,899,025
Closing stock	8	(7,333,948)	(7,542,380)
		208,432	(643,355)
		66,145,658	79,042,389

25.1 These include Rs. 18.05 million (2022: Rs. 15.88 million) in respect of contribution to provident fund, Rs. 25.22 million (2022: Rs. 22.73 million) in respect of gratuity fund and Rs. 11.49 million (2022: Rs. 6.30 million) in respect of compensated absences.

26. SELLING AND DISTRIBUTION EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and benefits	26.1	125,068	137,414
Rent, rates and taxes		776	478
Electricity, gas and water		5,012	4,098
Insurance		5,585	7,609
Depreciation	4.1.1	14,054	13,056
Depreciation on right-of-use assets	5.1.1	16,393	15,088
Postage, telephone and stationery		6,820	5,480
Vehicle, travel and conveyance		45,795	20,491
Freight and forwarding		671,864	1,243,125
Sales promotion		93,789	101,031
Others		12,068	15,259
		997,224	1,563,129

- 26.1 These include Rs. 4.47 million (2022: Rs. 4.29 million) in respect of contribution to provident fund, Rs. 2.13 million (2022: Rs. 1.72 million) in respect of gratuity fund and Rs. 0.48 million (2022: Rs. 0.15 million) in respect of compensated absences.

27. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and benefits	27.1	225,882	208,233
Rent, rates and taxes		29	229
Electricity, gas and water		2,425	1,780
Insurance		2,196	3,170
Depreciation	4.1.1	16,456	14,050
Depreciation on right-of-use assets	5.1.1	3,493	3,165
Security and janitorial services		1,183	534
Printing and stationery		2,493	1,258
Computer stationery and software support fees		133	112
Postage and communication		1,146	573
Vehicle, travel and conveyance		18,265	12,139
Legal and professional charges		83,075	70,582
Certification and registration charges		4,440	4,126
Directors' fee		9,600	6,800
Others		18,241	13,057
		389,057	339,808

- 27.1 These include Rs. 7.69 million (2022: Rs. 6.67 million) in respect of contribution to provident fund, Rs. 5.45 million (2022: Rs. 4.85 million) in respect of gratuity fund.

28. FINANCE COST

	Note	2023	2022
		(Rupees in '000)	
Conventional			
- Interest on long term financing		68,458	70,453
- Interest on short term borrowings		1,577,341	585,797
		1,645,799	656,250
Islamic			
- Mark-up on long term financing		269,180	355,456
- Mark-up on short term borrowings		207,872	159,176
		477,052	514,632
Bank charges		54,124	65,950
Unwinding of Gas Infrastructure			
Development Cess	18.1	75,311	76,997
Interest on Workers' Profit Participation Fund	20.6	4,171	6,078
Interest on lease liabilities	5.2.1	7,710	2,677
		2,264,167	1,322,584

29. OTHER OPERATING CHARGES

Note	2023	2022
	(Rupees in '000)	
Auditors' remuneration	3,507	2,695
Donations	55,660	85,590
Workers' Profit Participation Fund	277,332	430,148
Workers' Welfare Fund	73,733	172,059
Export Realization charges	32,226	48,499
Exchange loss	1,479,155	617,018
	1,921,613	1,356,009

29.1 Auditors' remuneration

Audit services

	2023	2022
Annual audit fee	2,000	1,628
Half yearly review	700	443
Out of pocket expenses	457	298
	3,157	2,369

Non-audit services

Certifications for regulatory purposes	350	326
	3,507	2,695

29.2 Donations

29.2.1 Donation to the following organization exceed 10% of total amount of donations made or Rs.1 million, whichever is higher.

	2023	2022
	(Rupees in '000)	
Amir Sultan Chinoy Foundation	35,000	25,000
SINA Health Education and Welfare Trust	-	12,000
Sindh Institute of Urology and Transplantation	-	10,000
Habib University Foundation	-	10,000
The Citizen Foundation	7,400	-
	42,400	57,000

29.2.2 Donations to entities in which directors are interested are as follows:

Name of Director	Interest in Donee	Name and address of the Donee	Amount Donated	
			2023	2022
			(Rupees in '000)	
Mr. Samir M. Chinoy	Chairman	Amir Sultan Chinoy Foundation 101, Beaumont Plaza, 10 Beaumont Road, Karachi.	35,000	25,000
Spouse of Mr. Samir M. Chinoy	Director	Karwan-e-Hayat 101, Al-Noor Arcade, Near Qamar-ul-Islam Mosque, Khayaban-e-Jami, Karachi	2,000	3,000
Dr. Amjad Waheed	Trustee	Layton Rahmatullah Benevolent Trust LRBT House, 37-C, Sunset Lane No. 4 Off 24th Commercial Street, Phase-II Ext. DHA, Karachi-75500.	-	2,000
			37,000	30,000



30. OTHER INCOME

Note	2023	2022
	(Rupees in '000)	
Income from non-financial assets		
Loss from power generation	(27,690)	(11,786)
Gain on sale of property, plant and equipment	34,977	69,566
Rental income	2,901	2,778
Gain on remeasurement of Gas Infrastructure Development Cess	20,712	49,415
Gain on termination of lease	-	1,029
Others	19,307	37,054
	50,207	148,056
Income from financial assets		
- Income on bank deposit - conventional	89,310	26,685
- Government grant	16,279	26,230
	105,589	52,915
	155,796	200,971

30.1 Loss from power generation

	2023	2022
	(Rupees in '000)	
Revenue	346,646	356,392
<i>Cost of electricity produced:</i>		
Salaries, wages and benefits	28,045	32,942
Electricity, gas and water	817,349	1,098,925
Depreciation	167,833	111,491
Stores and spares consumed	28,288	23,244
Repairs and maintenance	45,618	43,686
Sundries	1,695	6,344
	1,088,828	1,316,632
Less: Self consumption	(714,492)	(948,454)
	374,336	368,178
Loss from power generation	(27,690)	(11,786)

30.1.1 These include Rs. 0.74 million (2022: Rs 0.60 million) in respect of contribution to provident fund, Rs. 1.20 million (2022: Rs. 1.11 million) in respect of gratuity fund.

30.1.2 The Company has electricity power generation facility at its premises. The Company has generated electricity in excess of its requirements which is supplied to K-Electric Limited under an agreement. The agreement is valid for period up to 20 years w.e.f. August 31, 2007.

31. INCOME TAX EXPENSE

Note	2023	2022
	(Rupees in '000)	
Tax expense for the period		
- Current	(1,873,543)	(3,175,375)
- Prior	346,217	-
	(1,527,326)	(3,175,375)
Deferred tax	(145,295)	586,815
	(1,672,621)	(2,588,560)



31.1 Relationship between income tax expense and accounting profit

	2023	2022	2023	2022
	(Effective tax rate %)		(Rupees in '000)	
Profit before taxation			5,191,411	8,000,750
Tax at the enacted tax rate	(29.00)	(29.00)	(1,505,509)	(2,320,218)
Effect of super tax	(9.36)	(8.95)	(485,789)	(716,328)
Effect of income under final tax regime & minimum tax regime	6.06	1.88	314,561	150,724
Effect of tax credit	0.20	0.20	10,273	16,174
Prior Year refund	6.67	-	346,217	-
Change in normal tax regime ratio	(6.79)	3.65	(352,374)	292,187
Others	-	(0.14)	-	(11,099)
	(32.22)	(32.36)	(1,672,621)	(2,588,560)

32. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2023	2022
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		3,518,790	5,412,190
		(Number)	
Weighted average number of ordinary shares outstanding during the year	14	435,000,000	435,000,000
		(Rupees)	
Earnings per share - basic and diluted		8.09	12.44

32.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2023 and 2022.

33. CASH GENERATED FROM OPERATIONS

	Note	2023	2022
		(Rupees in '000)	
Profit before income tax		5,191,411	8,000,750
Adjustments for non cash charges & other income			
Depreciation of property, plant and equipment	4.1.1	1,676,252	1,497,882
Depreciation of right-of-use assets	5.1.1	19,886	18,253
Amortization of intangible assets	6	370	312
Gain on remeasurement of Gas Infrastructure Development Cess	30	(20,712)	(49,415)
Unwinding of Gas Infrastructure Development Cess	28	75,311	76,997
(Reversal) / Provision for net realizable value written off	25	(7,819)	77,127
Provision for capital spares	25	27,467	26,231
Provision for staff retirement benefits	11.2.10	34,003	29,530
Provision for compensated absences		12,516	10,395
Income on bank deposits-conventional	30	(89,310)	(26,685)
Gain on sale of property, plant and equipment	30	(34,977)	(69,566)
Government grant income	30	(16,279)	(26,230)
Gain on termination of lease	30	-	(1,029)
Finance cost	28	2,188,856	1,245,587
		9,056,975	10,810,139
Changes in working capital	33.1	17,567,923	(11,212,070)
		26,624,898	(401,931)

33.1 Changes in working capital

	2023	2022
	(Rupees in '000)	
Decrease / (increase) in current assets		
Stores and spares	(92,801)	(304,471)
Stock-in-trade	12,934,941	(13,115,284)
Trade debts	(114,367)	(94,287)
Receivable from K-Electric Limited (KE)	16,189	(5,954)
Advances, trade deposits and prepayments	54,933	1,814,880
Sales tax receivable	1,258,864	(163,197)
	14,057,759	(11,868,313)
Increase / (decrease) in current liabilities		
Trade and other payables	3,983,783	(356,544)
Contract liabilities	(473,619)	1,012,787
	17,567,923	(11,212,070)

34. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in '000)	
Cash and bank balances	13	1,381,136	896,462
Running finance under mark-up arrangement from banks	22	(10,521)	(1,210,002)
Short-term borrowing under Money Market scheme	22	-	(6,950,000)
Term Musharakah		-	(1,700,000)
Short-term borrowing under Running Musharakah	22	(273,704)	(566,770)
		1,096,911	(9,530,310)

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration	35,290	27,146	17,807	13,662	210,603	179,643
Special monthly allowance	11,763	9,048	5,936	4,554	65,097	56,778
Bonus	8,295	13,272	4,175	5,808	54,461	74,862
Retirement benefits	5,881	3,392	2,341	1,707	24,897	21,845
Rent, utilities, leave encashment etc.	17,645	13,573	8,903	6,831	106,102	90,090
Directors' fee	-	-	9,600	6,800	-	-
	78,874	66,431	48,762	39,362	461,160	423,218
Number of persons	1	1	8	10	68	61

35.1 The Chief Executive Officer, Directors and certain Executives are provided with Company maintained vehicles whereas, the Chief Executive Officer and Chief Operating Officer are also provided with security guards in accordance with the Company's policy.

35.2 Fee paid to 07 (2022: 09) non-executive directors is Rs. 9.60 million (2022: Rs. 6.80 million) on account of meetings attended by them.

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk



Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

36.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

36.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2023	2022
(Rupees in '000)			
- Long term deposit with Central Depository Company of Pakistan Limited		100	100
- Trade debts	9	1,148,499	1,034,132
- Trade deposits and margin against shipping guarantee	10	28,494	44,194
- Receivable from K-Electric Limited		16,685	32,874
- Bank balances	13	1,765,136	896,462
		2,958,914	2,007,762

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Long term deposit with Central Depository Company of Pakistan Limited (CDC)

This represents long term deposits with CDC. The Company does not foresee any credit exposure there against as the amounts are paid to counterparty as per agreement and is refundable on termination of the agreement with respective counterparty.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.



Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Receivable from K-Electric Limited

The receivable from K-Electric Limited amounting to Rs. 16.69 million (2022: Rs. 32.87 million) on account of electricity provided to it under an agreement from the power plant located at the factory site. The Company does not expect to incur credit loss against this receivable.

Analysis of gross amounts receivable from local and foreign trade debtors and from K-Electric Limited are as follows:

	2023	2022
	(Rupees in '000)	
Domestic	183,317	244,909
Export	981,867	822,097
	1,165,184	1,067,006

36.1.2 Impairment losses

The aging of trade debtors and receivable from K-Electric Limited (KE) at the reporting date was as follows:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	1,105,732	-	679,081	-
Past due 1-60 days	59,396	-	387,869	-
Past due 61 + days	56	-	56	-
Total	1,165,184	-	1,067,006	-

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Bank Al Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Samba Bank Limited	VIS	A1	AA
Industrial and Commercial Bank of China	Moody's	-	A1
National Bank of Pakistan	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	A+
Askari Bank Limited	PACRA	A1+	AA+

36.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

36.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long term financing	1,383,364	(1,722,779)	(224,673)	(213,963)	(1,054,909)	(229,234)
Short-term borrowings	3,334,225	(3,334,225)	(3,334,225)	-	-	-
Accrued mark-up	2,14,651	(214,651)	(214,651)	-	-	-
Trade and other payables	4,359,619	(4,359,619)	(4,359,619)	-	-	-
Lease liabilities	49,285	(49,285)	(49,285)	-	-	-
Unclaimed dividend	8,497	(8,497)	(8,497)	-	-	-
	9,349,641	(9,689,056)	(8,190,950)	(213,963)	(1,054,909)	(229,234)

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long term financing	4,198,341	(5,213,977)	(962,141)	(889,005)	(3,005,513)	(357,318)
Short-term borrowings	17,359,553	(17,359,553)	(17,359,553)	-	-	-
Accrued mark-up	2,71,013	(271,013)	(271,013)	-	-	-
Trade and other payables	4,94,741	(494,741)	(494,741)	-	-	-
Lease liabilities	64,941	(64,941)	(64,941)	-	-	-
Unclaimed dividend	10,301	(10,301)	(10,301)	-	-	-
	22,398,890	(23,414,526)	(19,162,690)	(889,005)	(3,005,513)	(357,318)

36.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

36.2.2 Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

36.3 Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

Management assessed that the fair values of cash and cash equivalents and short-term deposits, receivable from K-Electric Limited (KE), trade debts, trade payables, short term borrowings and other current liabilities approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit assets and long term liabilities, management considers that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings is at market rate.



36.3.1 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.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2023		2022	
	Rupees	US Dollars	Rupees	US Dollars
	(Amounts in '000)			
Financial assets				
Bank balance	672,917	2,351	402,149	1,970
Trade debts	981,867	3,431	822,098	4,027
Financial liabilities				
Trade creditors	(3,351,210)	(11,693)	(153,380)	(750)
Net exposure	(1,696,426)	(5,911)	1,070,867	5,247

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2023	2022	2023	2022
	(Rupees)			
US Dollars to PKR	245.59	181.04	286.60	204.59

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the US Dollar at 30 June 2023 would have (decreased) / increased the profit by Rs. (114.99) million (2022: Rs. 72.44 million). This analysis assumes that all other variables, in particular interest rates, remain constant and the analysis is performed on the same basis as done in prior year.

36.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long term borrowings from banks.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Carrying amount	
	2023	2022
	(Rupees in '000)	
Fixed rate instruments		
Financial liabilities	4,588,736	8,843,278
Variable rate instruments		
Financial liabilities	284,225	12,876,772



a) Cash flow sensitivity analysis for variable rate instruments

The Company holds various variable rate financial instruments amounting to Rs. 284.23 million (2022: Rs. 12,876.77 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 30 June 2023 would have increased / (decreased) profit after tax and equity by Rs. 2.02 million (2022: Rs. 91.43 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

b) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the statement of profit or loss.

36.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2023				
	Short term borrowings	Long term financing	Unappropriated profit	Lease liabilities	Total
	(Rupees in '000)				
Balance as at July 1, 2022	17,584,837	4,244,070	14,835,313	64,942	36,729,162
Changes from financing cash flows					
Repayment of long term loan	-	(3,070,248)	-	-	(3,070,248)
Proceeds from long term loan	-	245,465	-	-	245,465
Lease rentals paid	-	-	-	(23,366)	(23,366)
Addition / re-assessment / termination of leases	-	-	-	-	-
Dividend paid	-	-	(3,262,777)	-	(3,262,777)
Total changes from financing activities	-	(2,824,783)	(3,262,777)	(23,366)	(6,110,926)
Other changes					
Interest expense	1,918,819	345,348	-	-	2,264,167
Interest paid	(1,945,523)	(358,720)	-	7,710	(2,296,533)
Deferred government grant recognized	-	(6,467)	-	-	(6,467)
Changes in short term borrowings	(14,025,328)	-	-	-	(14,025,328)
Total loan related other changes	(14,052,032)	(19,839)	-	7,710	(14,064,161)
Total equity related other changes	-	-	3,573,866	-	3,573,866
Balance as at June 30, 2023	3,532,805	1,399,448	15,146,402	49,286	20,127,941



	2022				Total
	Short term borrowings	Long term financing	Unappropriated profit	Others / Adjustments	
	(Rupees in '000)				
Balance as at July 1, 2021	6,835,703	5,232,666	13,317,354	22,663	25,408,386
Changes from financing cash flows					
Repayment of long term loan	-	(1,475,612)	-	-	(1,475,612)
Proceeds from long term loan	-	616,189	-	-	616,189
Lease rentals paid	-	-	-	(22,029)	(22,029)
Re-assessment / termination of leases	-	-	-	61,631	61,631
Dividend paid	-	-	(3,913,497)	-	(3,913,497)
Total changes from financing activities	-	(859,423)	(3,913,497)	39,602	(4,733,318)
Other changes					
Interest expense	893,998	428,586	-	-	1,322,584
Interest paid	(708,072)	(395,997)	-	2,677	(1,101,392)
Deferred government grant recognized	-	(161,762)	-	-	(161,762)
Changes in short term borrowings	10,563,208	-	-	-	10,563,208
Total loan related other changes	10,749,134	(129,173)	-	2,677	10,622,638
Total equity related other changes	-	-	5,431,456	-	5,431,456
Balance as at June 30, 2022	17,584,837	4,244,070	14,835,313	64,942	36,729,162

Other price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk.

36.5 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.



36.6 Financial instruments by categories

	Note	2023	2022
(Rupees in '000)			
Financial assets			
Held at amortized cost			
- Long term deposit with Central Depository Company of Pakistan Limited		100	100
- Trade debts	9	1,148,499	1,034,132
- Trade deposits	10	28,494	44,194
- Receivable from K-Electric Limited		16,685	32,874
- Cash and bank balances	13	1,765,136	896,462
		2,958,914	2,007,762
Financial liabilities			
Held at amortized cost			
- Long term financing	16	1,383,364	4,198,341
- Trade and other payables		6,831,118	3,035,719
- Accrued mark-up		214,651	271,013
- Short term borrowings	22	3,334,225	17,359,553
- Contract liabilities	21	1,816,607	2,290,226
- Unclaimed dividend		8,497	10,301
		13,588,462	27,165,153

37. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

38. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2023, all financial assets and financial liabilities are carried at amortized cost which is approximate to their fair value. The Company measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 3.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Company's Land and Buildings measured at fair value:

Assets measured at fair value	Date of Valuation	Valuation approach and inputs used	Inter-relationships between significant unobservable inputs and fair value measurement
Revalued property, plant and equipment			
- Land and Building	June 30, 2022	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value is subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

The fair value of land and buildings is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value is provided below:

	2023	2022
	(Rupees in '000)	
Opening net book value	6,583,869	5,248,331
Additions during the year	22,352	57,005
Depreciation for the year	(267,274)	(199,065)
Disposals during the year (at NBV)	(84)	(12,164)
Revaluation during the year	-	1,489,762
Closing net book value	6,338,863	6,583,869

Management assessed that the fair values of cash & cash equivalents, other receivable, receivables from K-Electric, trade deposits, trade debts, short term borrowings, trade and other payables, accrued mark-up, contract liabilities and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit and long term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of contractual engagements.



Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

39.1 Transactions with related parties

	Note	2023	2022
		(Rupees in '000)	
Holding Company			
Sales		7,275,920	8,936,182
Purchases		13,158	182,353
Rent expense		11,873	11,788
Shared resources cost		49,908	54,440
Reimbursement of expenses		17,040	8,394
Sale of fixed asset		-	2,350
Purchase of fixed asset		-	3,350
Corporate, legal, marketing & IT services		3,683	12,864
Dividend paid		1,837,917	2,205,500
Other related parties			
Sales		3,077,200	2,495,007
Purchases		36,140,734	57,526,000
Dividend paid		296,082	355,299
Rental income	39.4	2,901	2,779
Reimbursement of expenses		2,411	750
Services / Donations		42,526	34,323
Key management personnel			
Remuneration		368,423	284,449
Staff retirement funds			
Contribution paid		101,037	80,479
Non-executive directors			
Directors' fee		9,600	6,800

39.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of the Related Party	Relationship and percentage of Shareholding
International Industrial Limited	Holding Company - 56.33% (2022: 56.33%) shareholding
Sumitomo Corporation (incorporated in Japan)	Associated Company - 9.08% (2022: 9.08%) shareholding
Pakistan Cables Limited	Associated Company due to common directorship
IIL Australia PTY Limited (incorporated in Australia)	Associated Company due to common directorship
IIL Construction Solutions (Private) Limited	Associated Company due to common directorship
IIL Americas Inc. (incorporated in Canada)	Associated Company due to common directorship
Intermark (Private) Limited	Associated Company due to common directorship
Amir Sultan Chinoy Foundation	Associated Entity due to common directorship
German Pakistan Chamber of Commerce And Industry	Associated Entity due to common directorship
Pakistan Business Council	Associated Company due to common directorship
Employers' Federation of Pakistan	Associated Company due to common directorship
Landhi Association of Trade & Industry	Associated Entity due to common directorship
Jubilee Life Insurance Company Limited	Associated Company due to common directorship
Karwan-e-Hayat	Associated Entity due to common directorship

39.3 Outstanding balances with related parties have been separately disclosed in trade debts, trade and other payables and advances, deposits and prepayments respectively. These are settled in ordinary course of business.

39.4 Rental income is recognized on straight line basis over the term of the respective lease agreement.

40. ANNUAL PRODUCTION CAPACITY

	2023	2022
	(Metric Tonnes)	
The production capacity at the year end was as follows:		
Cold rolled steel coil	1,000,000	1,000,000
Cold rolled annealed	454,000	454,000
Cold rolled full hard	46,000	46,000
Galvanising	462,000	462,000
Colour coated	84,000	84,000
The actual production for the year was:		
Cold rolled	135,270	181,137
Galvanising	154,006	213,200
Colour coated	14,268	17,037



- 40.1** The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix is different. Actual production was as per market demand.

41. OPERATING SEGMENT

- 41.1** These financial statements have been prepared on the basis of a single reportable segment.
- 41.2** Revenue from sales of steel products represents 99.55% (2022: 99.61%) of total revenue whereas remaining represent revenue from sale of surplus electricity to K-Electric Limited (KE). The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its Galvanizing plant and Cold Rolling plant and currently any excess electricity is sold to KE.
- 41.3** All non-current assets of the Company as at June 30, 2023 are located in Pakistan.
- 41.4** 86.04% (2022: 82.23%) of gross sales of steel are domestic sales whereas 13.96% (2022: 17.77%) of sales are export / foreign sales.

41.5 Geographic Information

The Company's net revenue from external customers by geographical location is disclosed in note 24.2.

	2023	2022
	(Rupees in '000)	
Domestic sales	64,298,688	72,771,965
Exports sales	12,454,646	18,651,733
	76,753,334	91,423,698

- 41.6** Management considers that revenue from its ordinary activities are shariah compliant.

42. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2023	2022
	Number of employees	
Total employees of the Company at the year end	688	705
Average employees of the Company during the year	694	705

43. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on August 21, 2023 has proposed a final cash dividend of Rs. 2.5 per share (2022: Rs. 4.5 per share) amounting to Rs.1,087.5 million (2022: Rs. 1,957.5 million) for the year ended June 30, 2023. The approval of the members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on September 26, 2023. The financial statements for the year ended June 30, 2023 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2024.



44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 21, 2023 by the Board of Directors of the Company.

A handwritten signature in black ink, appearing to read 'Nihal Cassim'.

Nihal Cassim
Director & Chairman
Board Audit Committee

A handwritten signature in black ink, appearing to read 'Mujtaba Hussain'.

Mujtaba Hussain
Chief Financial
Officer

A handwritten signature in black ink, appearing to read 'Yousuf H. Mirza'.

Yousuf H. Mirza
Chief Executive
Officer

Stakeholders' Information



Ownership

On June 30, 2023 there were 7688 members on the record of the Company's ordinary shares.

Dividend Payment

The Board of Directors of the company has recommended 25% final cash dividend in addition to 30% interim making a total of 55% for the year ended June 30, 2023 as per the Profit Appropriation Policy. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on September 26, 2023. The dividend amounts, if approved by the shareholders, shall be directly credited to their designated banks to the shareholders listed in the company's share register at the close of business on September 18, 2023 and shall be subject to the Zakat and Tax deductions as per applicable law.

FINANCIAL CALENDAR

Year ended June 30, 2023	Approved on	August 21, 2023
	Announced on	August 22, 2023
Third quarter ended March 31, 2023	Approved and announced on	April 19, 2023
Half year ended December 31, 2022	Approved and announced on	January 27, 2023
First quarter ended September 30, 2022	Approved and announced on	October 24, 2022

DIVIDEND PAID

Interim - Cash (2023)	Approved on	May 30, 2023
	Entitlement date	June 09, 2023
	Statutory limit upto which payable	June 22, 2023
	Paid on	June 20, 2023
Final - Cash (2022)	Approved on	September 29, 2022
	Entitlement date	September 21, 2022
	Statutory limit upto which payable	October 12, 2022
	Paid on	October 11, 2022
LATEST ANNUAL REPORT ISSUED ON		September 4, 2023
16TH ANNUAL GENERAL MEETING		September 26, 2023

TENTATIVE DATES OF FINANCIAL RESULTS 2023-24

For the Period	To be Announced on
1st Quarter	October 24, 2023
2nd Quarter	January 29, 2024
3rd Quarter	April 23, 2024
Annual Accounts	August 20, 2024

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2023

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
1108	1	100	48,921	0.0112
1757	101	500	656,853	0.1510
1281	501	1,000	1,154,847	0.2655
2089	1,001	5,000	5,679,393	1.3056
586	5,001	10,000	4,603,806	1.0583
201	10,001	15,000	2,587,219	0.5948
134	15,001	20,000	2,442,836	0.5616
82	20,001	25,000	1,947,502	0.4477
62	25,001	30,000	1,800,856	0.4140
50	30,001	40,000	1,819,713	0.4183
70	40,001	50,000	3,335,483	0.7668
37	50,001	60,000	2,088,117	0.4800
48	60,001	80,000	3,344,387	0.7688
46	80,001	100,000	4,355,842	1.0013
14	100,001	120,000	1,559,724	0.3586
9	120,001	140,000	1,187,573	0.2730
12	140,001	160,000	1,822,895	0.4191
7	160,001	180,000	1,193,144	0.2743
20	180,001	200,000	3,888,033	0.8938
17	200,001	300,000	4,310,905	0.9910
9	300,001	400,000	3,109,654	0.7149
8	400,001	500,000	3,837,728	0.8822
4	500,001	600,000	2,149,061	0.4940
5	600,001	700,000	3,288,231	0.7559
2	700,001	800,000	1,510,182	0.3472
3	800,001	900,000	2,575,923	0.5922
4	900,001	1,000,000	3,935,628	0.9047
2	1,000,001	1,200,000	2,283,481	0.5249
2	1,200,001	1,800,000	3,541,625	0.8142
4	1,800,001	2,000,000	7,683,007	1.7662
3	2,000,001	2,800,000	7,936,706	1.8245
2	2,800,001	3,000,000	5,875,600	1.3507
1	3,000,001	3,200,000	3,000,500	0.6898
1	3,200,001	4,000,000	3,411,500	0.7843
2	4,000,001	4,600,000	9,124,838	2.0977
2	4,600,001	6,000,000	10,291,291	2.3658
2	6,000,001	21,000,000	27,083,796	6.2262
1	21,000,001	40,000,000	39,477,657	9.0753
1	40,000,001	250,000,000	245,055,543	56.3346
7688		Company Total	435,000,000	100.0000

CATEGORIES OF SHAREHOLDERS

AS OF JUNE 30, 2023

Particulars	No. of Shareholders	No. of Shares held	Percentage
Sponsor / Holding Company	1	245,055,543	56.335
Directors and Spouses and other Family members	19	15,689,673	3.607
Associated Company	1	39,477,657	9.075
NIT and NBP and Funds	5	6,502,535	1.495
Banks, DFI and NBFI	10	12,948,062	2.977
Insurance Company	8	5,581,372	1.283
Mutual Funds	16	1,338,803	0.308
Public and Other Companies	98	13,020,530	2.993
Retirement Funds and Charitable Trusts	41	4,578,474	1.053
Strategic Investor	1	20,626,500	4.742
Foreign Companies	3	64,493	0.015
Modarabas and Others	3	141,000	0.032
General Public / Individuals - Local	6,622	61,882,472	14.226
General Public / Individuals - Foreign	860	8,092,886	1.860
Total	7,688	435,000,000	100.000



KEY SHAREHOLDING

AS OF JUNE 30, 2023

	No. of Shareholders	No. of Shares	Percentage
Sponsor / Holding Company International Industries Ltd.	1	245,055,543	56.3346
Directors and spouses	9	9,002,000	2.069
Sponsoring Family Members	6	2,487,673	0.5719
Associated Company Sumitomo Corporation	1	39,477,657	9.0753
Government Financial Institutions NIT and NBP & Funds	1	6,502,535	1.4948
Foreign Corporate Investors JFE Steel Corporation	1	20,626,500	4.7417
Others	3	64,493	0.0148
		20,690,993	4.7566
Executives	7	105,594	0.0243

MEMBERS HAVING 5% OR MORE OF VOTING RIGHTS

Name of Shareholder	Shares Held	Percentage
INTERNATIONAL INDUSTRIES LIMITED	245,055,543	56.3346
SUMITOMO CORPORATION	39,477,657	9.0753

SHARES TRADING BY DIRECTORS/EXECUTIVES

During FY 2022-23

Following is the summary of shares transactions made by Directors, Executives and their family members or their private owned companies during the financial year July 1, 2022 to June 30, 2023 that were duly disclosed at the Pakistan Stock Exchange Limited:

Sold	Purchased
-	-

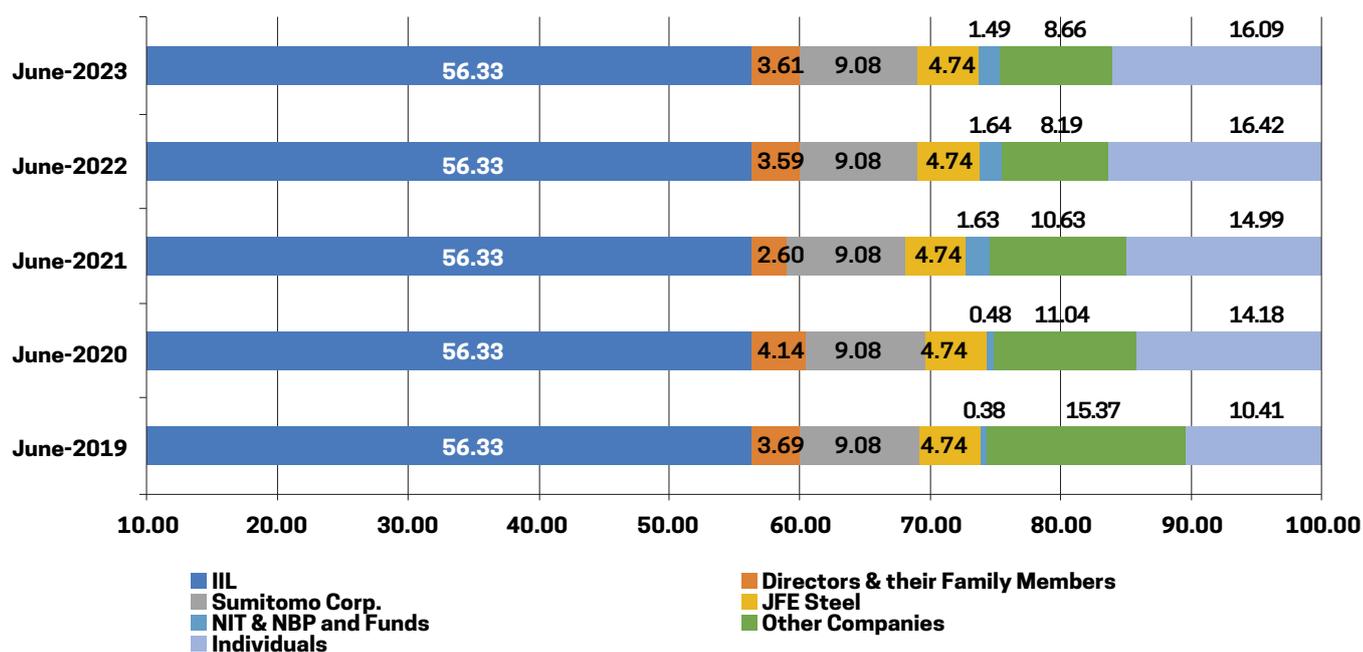


FREE FLOAT OF SHARES

AS OF JUNE 30, 2023

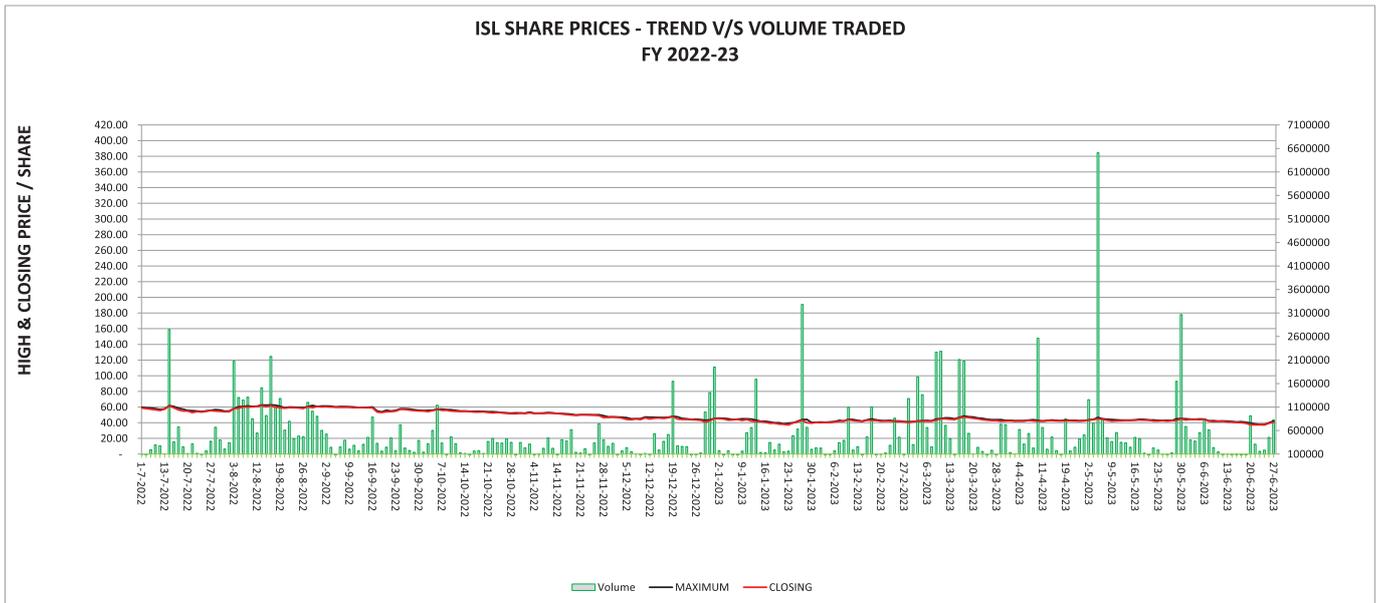
S - No.	Category of Shareholders	Shares held
	Total Outstanding Shares	435,000,000
1	Government Holding as Promoter	-
2	Directors / Sponsors/Senior Management Officer	(15,745,736)
3	Physical Shares	(245,255,568)
4	Associated / Group Companies	(39,477,657)
5	Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-
6	Treasury Shares	-
7	Any other category that are barred from selling	-
	Free Float	134,521,039

SHAREHOLDERS COMPOSITION





ISL SHARE PRICES - TREND V/S VOLUME TRADED DURING FY 2022-23



Notice of Annual General Meeting

Notice is hereby given to the Members that the 16th Annual General Meeting of International Steels Limited will be held on September 26, 2023 at 10.30 a.m. at the Jasmine Hall, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi to transact the following business. Members are encouraged to attend the meeting through video conferencing:

ORDINARY BUSINESS FINANCIAL STATEMENTS

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2023, together with the Reports of the Directors and Auditors thereon.

As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders and uploaded on the website of the Company which can be viewed using the following link and QR enable code:

<http://www.isl.com.pk/investors/>



DIVIDEND

2. To consider and approve the payment of Rs. 2.5 per share (25%) as the final cash dividend in addition to the 30% interim cash dividend announced and already paid, making a total dividend of Rs. 5.5 per share (55%) for the financial year ended June 30, 2023, as recommended by the Board of Directors.

AUDITORS

3. To appoint statutory auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The retiring Auditors, M/s A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out-of-pocket expenses at actuals.

SPECIAL BUSINESS

TRANSMISSION OF ANNUAL REPORT INCLUDING NOTICE OF GENERAL MEETINGS

4. To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the "Audited Annual Financial Statements") and the notice of general meetings etc. to the Company's shareholders through email or QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21, 2023:

"RESOLVED THAT as notified by the Securities and Exchange Commission of Pakistan via S.R.O No.389(I)/2023 dated March 21, 2023 transmission of Audited Annual Financial Statements to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future."



ANY OTHER BUSINESS

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

The information as required under section 134(3) of the Companies Act, 2017 is being provided along with the Notice of the Annual General Meeting being sent to the Shareholders.

Karachi: August 21, 2023

By Order of the Board
International Steels Ltd.
Schaane Ansari
Company Secretary &
Head of Legal Affairs

Notes:

1. PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for International Steels Limited AGM 2023" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to investors@isl.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

Registration to attend the Annual General Meeting through Video Conferencing Facility

1. Folio No. / CDC Investors A/c No./ Sub-A/c No.: _____
2. Name of Shareholder : _____
3. Cell Phone Number : _____
4. Email Address : _____
5. No. of Shares held at the 1st day of the Book Closure to establish the right to attend AGM:

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: investors@isl.com.pk

2. CLOSURE OF SHARE TRANSFER BOOKS

The Register of Members and the Share Transfer Books will be closed from September 19, 2023 to September 26, 2023 (both days inclusive). Transfers received in order at the office of the Company's Registrar namely THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, by the close of business on September 18, 2023 will be considered in time for the purpose of determining the entitlement for final cash dividend and to establish the right to attend and vote at the Annual General Meeting.



3. ATTENDING AGM AND APPOINTMENT OF PROXY

- A. 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.
- B. An 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.
- C. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

i) For Attending AGM

- a) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall produce proof of his / her identity by showing their Computerized National Identity Card (CNIC) at the time of attending the meeting.
- b) In case of a corporate entity, a Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

ii) For Appointing Proxy

- a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per CDC regulations shall submit the Proxy Form as per the above requirement.
- b) Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the Proxy Form. The proxy shall produce his original CNIC at the time of the meeting.

4. MANDATORY INFORMATION - (EMAIL, CNIC, IBAN AND ZAKAT DECLARATION)

- A. In compliance with Section 119 of the Companies Act, 2017 and Regulation 19 Companies (General Provisions and Forms) Regulations, 2018 members are requested to immediately provide their mandatory information such as CNIC number, updated mailing address, email, contact mobile/telephone number and International Banking Account Number (IBAN) together with a copy of their CNIC to update our records and to avoid any non-compliance of the law. Otherwise, all dividends will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017;
 - For physical shares to M/s THK Associates (Pvt.) Ltd.
 - For shares in CDS to CDC Investors A/c Services or respective participant
- B. Members are requested to submit a declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and advise a change in address if any.

5. UNCLAIMED DIVIDENDS

Shareholders, who for any reason, could not claim their dividend are advised to contact our Shares Registrar M/s THK Associates (Pvt.) Ltd. to collect/enquire about their unclaimed dividends if any.

6. E-DIVIDEND MANDATE

As per Section 242 of the Companies Act, 2017, in the case of a Public listed company, 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 requested to update their bank account No. (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, to 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. The e-Dividend mandate form is enclosed.

7. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all such members of International Steels Limited who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System to facilitate the conversion of physical shares into book-entry form.

Members are informed that holding shares in book-entry form has several benefits including but not limited to;

- Secure and convenient custody of shares
- Conveniently tradeable and transferable
- No risk of loss, damage or theft
- No stamp duty on transfer of shares in book-entry form
- Seamless credit of bonus or right shares

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

8. FILER AND NON-FILER STATUS

- i) The Government of Pakistan through the Finance Act, 2023 in Section 150 of the Income Tax Ordinance, 2001 prescribed the following rates for withholding tax against dividend payments by the companies;
- a) For filers of income tax returns – 15%
 - b) For non-filers of income tax returns – 30%

Members whose names are not entered into the Active Taxpayers List (ATL) provided on the FBR website, despite the fact that they are filers, are advised to make sure that their names are entered into ATL to avoid higher tax deductions against any future dividends.

- ii) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers, or email addresses:

M/s THK Associates (Pvt) Ltd.
32-C, Jami Commercial Street 2,
D.H.A., Phase VII, Karachi-75500
Phone: +9221-111-000-322, +9221-37120628-29
E-mail : sfc@thk.com.pk

- iii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e. M/s THK Associates (Pvt) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

9. ELECTRONIC VOTING

The members are hereby notified that pursuant to Section 143-145 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 5, 2022, issued by the Securities and Exchange Commission of Pakistan (“SECP”), wherein, SECP has directed all the listed companies to provide the right to vote through the electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of International Steels Limited (the “Company”) will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business in its 16th Annual General Meeting to be held on Tuesday, September 26, 2023 at 10.30 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, the ballot paper is annexed to this notice and the same is also available on the Company’s website at www.isl.com.pk for download.



Procedure for E - Voting:

- (a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 18, 2023.
- (b) The web address, and login details, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal M/s THK Associates (Pvt.) Limited (being the e-voting service provider).
- (c) Identity of the Members intending to cast a vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start on September 21, 2023, at 9:00 a.m. and shall close on September 25, 2023 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:

- (a) The members shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 101 Beaumont Plaza, 10 Beaumont Road, Karachi- 75530 or email at investors@isl.com.pk by September 25, 2023 one day before the Annual General Meeting. The signature on the ballot paper shall match the signature on CNIC.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON SEPTEMBER 26, 2023.

SPECIAL BUSINESS

Agenda Item 4 - Transmission of Annual Report Including Notice of General Meetings

The Securities and Exchange Commission of Pakistan has allowed listed Companies, through its S.R.O No.389(I)/2023 dated March 21, 2023 to circulate the Audited Annual Financial Statements to their Members through QR-enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB. The Company shall circulate Audited Annual Financial Statements through email address in case it has been provided by the member to the Company, and upon demand, supply hard copies of the Audited Annual Financial Statements to the shareholders free of cost upon receipt of a duly completed Request Form, which may be obtained from the Company's Website i.e. <http://www.isl.com.pk>

None of the Directors of the Company have any direct or indirect interest in this special business.



Shaping Tomorrow

International Steels Limited

POSTAL BALLOT PAPER

For voting through post for the Special Business at the Annual General Meeting to be held on Tuesday, September 26, 2023 at 10.30 AM at Jasmine Hall, Beach Luxury Hotel, Off: M.T.Khan Road, Karachi.

UAN: 111-019-019 **Website:** www.isl.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of Shares Held	
CNIC/Passport No. (in the case of foreigners) (copy to be attached)	
Additional information and enclosures (in case of representative of a body corporate, corporation, and Federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in the case of foreigners) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 4 - Transmission of Annual Report including Notice of General Meetings

“RESOLVED THAT as notified by the Securities and Exchange Commission of Pakistan via S.R.O No.389(I)/2023 dated March 21, 2023 transmission of Audited Annual Financial Statements to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future.”

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.
2. In case if both the boxes are marked as (✓), your poll shall be treated as **“Rejected”**.

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing a tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 4		

1. Duly filled ballot paper should be sent to the Chairman at 101 Beaumont Plaza, 10 Beaumont Road, Karachi- 75530 or email at investors@isl.com.pk
2. Copy of the CNIC/ Passport (in case of a foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before Monday, September 25, 2023. Any postal ballot received after this date, will not be considered for voting.
4. Signature on the ballot paper should match with the signature on the CNIC/ Passport (in case of a foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
7. Ballot Paper form has also been placed on the website of the Company at: www.isl.com.pk Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Date _____

Shareholder / Proxy holder Signature/Authorized Signatory

(In case of corporate entity, please affix company stamp)

انٹرنیشنل اسٹیلز لمیٹڈ

پوسٹل بیلٹ پیپر

26 ستمبر 2023 بروز منگل صبح 10:30 بجے جسٹین ہال، بیچ لگھری ہوٹل، عقب: ایم ٹی خان روڈ، کراچی میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی کاروبار کے لئے ڈاک کے ذریعے ووٹ ڈالنے کے لئے۔

www.isl.com.pk: ویب سائٹ: UAN: 111-019-019

فولیو/سی ڈی ایس اکاؤنٹ نمبر

شیئر ہولڈر/پراکسی ہولڈر کا نام

رجسٹرڈ آڈیٹر

حصص کی تعداد

CNIC / پاسپورٹ نمبر (غیر ملکی کی صورت میں) (نقل منسلک کریں)

اضافی معلومات اور ملفوظات (ہاڈی کارپوریٹ، کارپوریشن، اور وفاقی حکومت کے نمائندے کی صورت میں)

مجاز دستخط کنندہ کا نام

CNIC / پاسپورٹ نمبر (غیر ملکی کی صورت میں) (نقل منسلک کریں)

قرارداد برائے ایجنڈا 4 - سالانہ رپورٹ کی منتقلی بشمول نوٹس برائے اجلاس عام

"تجویز کیا گیا، جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے ایس آر نمبر 2023/389(1) تاریخ 21 مارچ 2023 کے ذریعے مطلع کیا گیا، جس کے تحت مستقبل میں ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشوارے CD / DVD / USB کے ذریعے ارسال کرنے کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کی توثیق اور منظوری دی جائے گی۔"

پول کے لئے ہدایات

۱۔ برائے کرم متعلقہ خانے پر (✓) نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔

۲۔ اگر دونوں خانوں کو (✓) کے بطور نشان زد کیا گیا ہے، تو آپ کا ووٹ "مسترد" سمجھا جائے گا۔

میں/ہم مندرجہ بالا قرارداد کے سلسلے میں اپنا ووٹ بیلٹ کے ذریعے استعمال کرتے ہیں اور ذیل میں مناسب خانے میں تک (✓) کا نشان لگا کر قرارداد پر میری/اپنی رضامندی یا اختلاف رائے پہنچاتے ہیں۔

میں/ہم قرارداد سے اختلاف کرتے
ہیں (خلاف)

میں/ہم اس کی منظوری دیتے
ہیں (اتفاق)

قرارداد

ایجنڈا 4 نمبر 4 کی قرارداد:

۱۔ صحیح طریقے سے بھرے ہوئے بیلٹ پیپر چیئر مین کو 101 بیومنٹ پلازہ، 10 بیومنٹ روڈ، کراچی-75530 پر بھیجے جائیں یا investors@isl.com.pk پر ای میل کریں۔
۲۔ سی این آئی سی / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہیے۔
۳۔ بیلٹ پیپر، 25 ستمبر 2023 تک یا اس سے پہلے کاروباری اوقات میں چیئر مین تک پہنچ جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لئے زیر غور نہیں آئے گا۔

۴۔ بیلٹ پیپر پر دستخط CNIC / پاسپورٹ (غیر ملکی کی صورت میں) کے دستخط سے مماثل ہونا چاہیے۔

۵۔ نامکمل، غیر دستخط شدہ، غلط، خراب، پھٹا، مسخ شدہ، اور رانٹنگ شدہ پول پیپر مسترد کر دیا جائے گا۔

۶۔ کسی ہاڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ پیپر فارم کے ساتھ کسی مجاز شخص کے قومی شناختی کارڈ کی کاپی، بورڈ کی قرارداد کی تصدیق شدہ کاپی، پاور آف اٹارنی، اتھارٹی لیٹر وغیرہ، ہونا ضروری ہے۔ جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 138 یا 139 کے مطابق قابل اطلاق ہے۔

۷۔ بیلٹ پیپر کا فارم کمپنی کی ویب سائٹ www.isl.com.pk پر بھی رکھا گیا ہے۔ ممبران ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل/فوٹو کاپی استعمال کر سکتے ہیں۔

تاریخ

شیئر ہولڈر/پراکسی ہولڈر/مجاز دستخط کنندہ

(کارپوریٹ کی صورت میں، برائے کرم کمپنی کا سٹیپ لگائیں)

کمپنی ایکٹ 2017 کے سیکشن (3) 134 کے تحت 26 ستمبر 2023 کو ہونے والے کمپنی کے حصص یافتگان کے سالانہ اجلاس عام میں عمل میں آنے والی خصوصی کارروائی سے متعلق قابل ذکر حقائق کا بیان۔

خصوصی کارروائی

ایجنڈا آئٹم 4: سالانہ رپورٹ کی منتقلی بشمول نوٹس برائے اجلاس عام

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے ایس آر او نمبر 2023 / (1) 389 بتاریخ 21 مارچ 2023 کے ذریعے لسٹڈ اداروں کو اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشوارے CD / DVD / USB کے ذریعے ارسال کرنے کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے بھیجیں۔ جس کے مطابق ادارہ سالانہ آڈٹ شدہ مالیاتی گوشوارے ای میل ایڈریس کے ذریعے ارسال کرے گا، اگر رکن کی جانب سے ادارے کو پیشگی فراہم کردیا گیا ہو اور درخواست کے ذریعے باضابطہ مطالبے پر حصص یافتگان کو سالانہ آڈٹ شدہ مالیاتی بیانات کی نقول مفت فراہم کرے گی۔ جس کا فارم کمپنی کی ویب سائٹ <http://www.isl.com.pk> سے حاصل کیا جاسکتا ہے۔

اس خصوصی کارروائی میں کمپنی کے کسی بھی ڈائریکٹر کا براہ راست یا بالواسطہ مفاد وابستہ نہیں ہے۔

(ii) کوئی بھی سوال/مسئلہ/معلومات حاصل کرنے کے لئے، سرمایہ کار حسب ذیل فون نمبر، ای میل ایڈریس یا پوسٹل ایڈریس کے ذریعے حصص رجسٹرار سے رابطہ کر سکتے ہیں:

M/s THK Associates (Pvt) Ltd.

75500، جہاں کمرشل اسٹریٹ 2، D.H.A.، فیر VII، کراچی۔

فون: +9221-37120628-29، +9221-111-000-322

ای میل: sfc@thk.com.pk

(iii) سی ڈی سی اے کا وٹنس رکھنے والے اراکین کو اپنی متعلقہ تفصیلات سمیت اپنے پیشکش نمبر (NTN) کی تجدید کروانی ہوگی، جب کہ سرٹیفکیٹ رکھنے والے کارپوریٹ ادارے کو اپنے NTN سرٹیفکیٹ کی ایک کاپی حصص رجسٹرار یعنی M/s THK Associates (Pvt) Ltd. کو بھیجینی پڑے گی۔ حصص یافتگان کو این ٹی این یا NTN سرٹیفکیٹ بھیجنے وقت کمپنی کا نام اور اپنے متعلقہ فون نمبر کا حوالہ دینا ضروری ہے۔

۹۔ الیکٹرانک ووٹنگ

اراکین کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ، 2017 اور کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کے سیکشن 143-145 کے مطابق، 5 دسمبر 2022 کو سیکورٹیز ریٹریبونڈ ایکٹیوٹیٹیشن آف پاکستان ("SECP") کے جاری کردہ نوٹیفیکیشن کے ذریعے ترمیم کی گئی ہے، جس کے مطابق، SECP نے تمام لسٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ وہ خصوصی کارروائی کے زمرے میں آنے والی تمام کارروائیوں میں رائے دہی کے لئے الیکٹرانک ووٹنگ یا ڈاک کے ذریعے ووٹ ڈالنے کا حق فراہم کریں۔

جس کے مطابق، انٹرنیشنل اسٹیلو لمیٹڈ ("کمپنی") کے اراکین کو بروز منگل 26 ستمبر 2023 صبح 10.30 بجے منعقد ہونے والے اس سولہویں سالانہ اجلاس عام میں قواعد کے مطابق اور مذکورہ ضوابط میں موجود شرائط کے تابع خصوصی کارروائی میں رائے دہی کے لئے الیکٹرانک ووٹنگ یا ڈاک کے ذریعے ووٹ دینے کا حق استعمال کرنے کی اجازت ہوگی۔

اراکین کی سہولت کے لئے بیلت سپراس نوٹس کے ساتھ منسلک کر دیا گیا ہے اور یہ کمپنی کی ویب سائٹ www.isl.com.pk سے بھی ڈاؤن لوڈ کے لئے دستیاب ہے۔

ای ووٹنگ کا طریقہ کار:

الف۔ ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے اراکین کو ایک ای میل کے ذریعے بھیجی جائیں گی جن کا فعال CNIC نمبر، موبائل نمبر، اور ای میل ایڈریس کا اندراج کمپنی کے ممبران والے رجسٹر میں کاروبار کے اختتام یعنی 18 ستمبر 2023 تک دستیاب ہوگا۔

ب۔ ویب ایڈریس اور لاگ ان کی تفصیلات ای میل کے ذریعے ممبران کو بھیجی جائیں گی۔ سیکورٹی کوڈز ممبران کو ایس ایم ایس کے ذریعے M/s THK Associates (Pvt) Ltd. (بحیثیت ای ووٹنگ سروس فراہم کنندہ) کے ویب پورٹل کے ذریعے بھیجے جائیں گے۔

ج۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔

د۔ ای ووٹنگ لائنز 21 ستمبر 2023 صبح 09:00 بجے شروع کر دی جائیں گی اور 25 ستمبر 2023 کو شام 05:00 بجے بند کر دی جائیں گی۔ اراکین اس دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ کسی رکن کی طرف سے ایک بار قرارداد پر ووٹ ڈالنے کے بعد، اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلت کے ذریعے ووٹ ڈالنے کا طریقہ کار:

اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی کے ساتھ درست طریقے سے پُر شدہ اور دستخط شدہ بیلت سپراس میٹنگ کے چیئرمین تک کمپنی کے رجسٹرار ایڈریس، 101 بیومنٹ پلازہ، 10 بیومنٹ روڈ، کراچی۔ 75530 پر ڈاک کے ذریعے پہنچیں۔ یا سالانہ اجلاس عام سے ایک دن قبل یعنی 25 ستمبر 2023 تک investors@isl.com.pk پر ای میل کریں۔ بیلت سپراس کے دستخط کا قومی شناختی کارڈ پر موجود دستخط سے مماثل ہونا لازم ہے۔

لہذا، اس نوٹس کے ذریعے تمام حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے بینک اکاؤنٹ نمبر (IBAN) اور دیگر تفصیلات کی سنٹرل ڈپازٹری سسٹم میں تجدید کروائیں۔ حصص سرٹیفکیٹ کی صورت میں رکھنے والے ممبران برائے کرم مستقبل میں کسی بھی قسم کی تکلیف سے بچنے کے لئے اپنے موجودہ بینک اکاؤنٹ کی تفصیلات ہمارے حصص رجسٹرار، M/s THK Associates (Pvt) Ltd. کے پاس فوری طور پر تجدید یقینی بنائیں۔ ای ڈیوٹڈ مینڈیٹ فارمنسک ہے۔

۷۔ سرٹیفکیٹ کو بگ انٹری فارم میں تبدیل کرنا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام رجسٹرڈ کمپنیز کو کمپنیز ایکٹ 2017 کے آغاز کی تاریخ سے چار سال کی مدت کے اندر اپنے سرٹیفکیٹس کی بگ انٹری کی صورت میں تبدیل کروانے کی تاکید کی گئی ہے۔

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے اپنے سرکلر نمبر CSD/ED/Misc./2016-639-640 بتاریخ 26 مارچ 2021 کے ذریعے تمام لسٹڈ اداروں کو عندیہ دیا ہے کہ وہ اپنے ایسے اراکین سے رجوع کریں جن کے پاس ابھی تک سرٹیفکیٹ کی شکل میں حصص موجود ہیں تاکہ وہ اپنے حصص بگ انٹری کی صورت میں تبدیل کرواسکیں۔

ہم یہاں انٹرنیشنل اسٹیلو لمیٹڈ کے ایسے تمام اراکین سے درخواست کرتے ہیں جو حصص کے سرٹیفکیٹ رکھتے ہیں کہ وہ اپنے حصص جلد از جلد بگ انٹری کی صورت میں تبدیل کروائیں۔ انہیں سینٹرل ڈپازٹری سسٹم میں اکاؤنٹ کھولنے کے لئے سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ یا پاکستان اسٹاک ایکسچینج کے کسی بھی فعال رکن/اسٹاک بروکر سے رابطہ کرنے کا مشورہ دیا جاتا ہے تاکہ حقیقی حصص سرٹیفکیٹس بگ انٹری کی صورت میں تبدیل کئے جاسکیں۔

اراکین کو مطلع کیا جاتا ہے کہ بگ انٹری کی صورت میں حصص رکھنے کے متعدد فوائد ہیں جن میں شامل ہیں:

- حصص کی محفوظ اور آسان تحویل
- با آسانی قابل تجارت اور قابل منتقلی
- خرابی، نقصان یا چوری کا کوئی خطرہ نہیں
- کھاتے کے اندراج کی شکل میں حصص کی منتقلی پر کوئی اسٹیپ ڈیوٹی نہیں۔
- بلا کاؤٹ بونس یا رائٹ شیئرز کی ادائیگی

ہم ایک بار پھر کمپنی کے اراکین کو تنبیہ کرنا چاہتے ہیں کہ وہ اپنے بہترین مفاد میں اپنے حقیقی حصص جلد از جلد بگ انٹری کی صورت میں تبدیل کروائیں۔

۸۔ فائلر اور نان فائلر کی حیثیت

(i) حکومت پاکستان کی جانب سے فنانس ایکٹ 2023 کے ذریعے آگم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت رجسٹرڈ اداروں کی جانب سے ڈیویڈنڈ کی ادائیگیوں پر وہولڈنگ ٹیکس کے لئے حسب ذیل شرحیں تجویز کی گئی ہیں۔

الف:	آگم ٹیکس گوشوارے جمع کرانے والے اراکین	15 فیصد
ب:	آگم ٹیکس گوشواروں جمع نہ کرانے والے اراکین	30 فیصد

جن اراکین کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس سینٹرز لسٹ (ای ٹی ایل) میں درج نہیں ہیں، قطع نظر اس کے کہ وہ فائلرز ہیں، ان کو مشورہ دیا جاتا ہے کہ وہ اپنے ناموں کو ای ٹی ایل میں درج کروائیں تاکہ مستقبل میں کسی بھی منافع کی ادائیگی میں بے جا ٹیکس کٹوتی سے بچا جاسکے۔

(i) سالانہ اجلاس عام میں شرکت کے لئے

الف: انفرادی سطح پر، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی سکیورٹیز اور رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر اپنی شناخت کا ثبوت پیش کرے گا۔

ب: کارپوریٹ ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور نامزد شخص کے دستخط کا نمونہ ساتھ پیش کیا جائے گا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

(ii) تقرری برائے نمائندگی

الف: انفرادی سطح پر، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں وہ مذکورہ بالا قواعد کے مطابق نمائندگی فارم جمع کروائیں گے۔

ب: اصل مالکان اور نمائندے کے قومی شناختی کارڈ کی تصدیق شدہ کاپیاں نمائندگی کے فارم کے ساتھ پیش کی جائیں گی۔ نامزد شدہ نمائندہ اجلاس عام میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ پیش کرے گا۔

۴۔ لازمی معلومات - (ای میل، شناختی کارڈ، IBAN اور زکوٰۃ کا اعلان)

الف: کمپنیز ایکٹ 2017 کے سیکشن 119 اور ریگولیشن 19 کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز 2018 کے تحت اراکین سے درخواست کی جاتی ہے کہ ہمارے ریکارڈ کی تجدید اور قانون کی عدم تعمیل سے بچنے کے لئے اپنی لازمی معلومات جیسے کہ تجدید شدہ ڈاک کا پتہ، ای میل، موبائل/ ٹیلی فون نمبر، انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) بشمول قومی شناختی کارڈ کی ایک کاپی فوری طور پر فراہم کریں۔ بصورت دیگر، تمام منافع کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کے ضابطہ 6 کے مطابق روک دیا جائے گا۔

M/s THK Associates (Pvt) Ltd.

CDC نو لیٹر اکاؤنٹ سروسز یا متعلقہ ادارہ

● برائے سرٹیفیکیٹ

● برائے CDS حصص

ب: اراکین سے درخواست ہے کہ وہ زکوٰۃ اور عشر آؤٹینس 1980 کے مطابق زکوٰۃ سے استثنیٰ کے لئے ایک اعلامیہ (CZ-50) جمع کروائیں اور اگر پتے میں کوئی تبدیلی ہوئی ہو تو فوری مطلع کریں۔

۵۔ غیر دعویٰ شدہ ڈیویڈنڈ

حصص یافتگان، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکتے ہیں، ان سے درخواست ہے کہ وہ اپنا غیر دعویٰ شدہ ڈیویڈنڈ وصول کرنے یا اس کے حوالے سے معلومات حاصل کرنے کے لئے ہمارے حصص رجسٹرار M/s THK Associates (Pvt) Ltd سے فوری رابطہ کریں۔

۶۔ ای ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق، پبلک لسٹڈ کمپنی کے معاملے میں، نقد میں قابل ادا کی کوئی بھی ڈیویڈنڈ صرف الیکٹرانک ذریعے سے حقدار حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں بھیجا جائے گا۔

نوٹس:

۱۔ ویڈیو کانفرنسنگ کی سہولت کے ذریعے اجلاس میں شرکت:

ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کرنے میں دلچسپی رکھنے والے حاملین حصص سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کو "انٹرنیشنل اسمبلی لمیٹڈ کے سالانہ اجلاس عام 2023 کی رجسٹریشن" کے عنوان کے ساتھ اپنے تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ کے دونوں اطراف کی کاپی کے ساتھ investors@isl.com.pk پر ای میل کریں۔ ویڈیولنک اور لاگ ان کی تفصیلات صرف ان اراکین کو بھیجی جائیں گی جن کی ای میل تمام مطلوبہ تفصیلات کے ساتھ سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوئی ہو۔

ویڈیو کانفرنسنگ کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لئے رجسٹریشن

- ۱۔ فولیو نمبر/ CDC سرمایہ کار کا اکاؤنٹ نمبر/ ذیلی اکاؤنٹ نمبر: _____
- ۲۔ شیئر ہولڈر کا نام: _____
- ۳۔ سیل فون نمبر: _____
- ۴۔ ای میل ایڈریس: _____
- ۵۔ سالانہ جنرل میٹنگ میں شرکت کا حق محفوظ رکھنے کے لئے بک کلوزر کے پہلے دن کے حصص کی تعداد: _____

حصص یافتگان سالانہ اجلاس عام کے ایجنڈے کے لئے اپنے تبصرے اور سوالات ای میل ایڈریس investors@isl.com.pk پر بھیج سکتے ہیں۔

۲۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص کی منتقلی کے کھاتے مورخہ 19 ستمبر 2023 تا 26 ستمبر 2023 (بشمول دونوں ایام) بند رہیں گے۔ 18 ستمبر 2023 کو کاروبار کے اختتام تک کمپنی کے رجسٹرار Ms THK Associates (Pvt) Ltd کے دفتر یعنی پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، ڈی ایچ اے فیئر VII، کراچی-75500 پہ ضابطے کے مطابق موصول ہونے والی درخواستوں کو حتمی نقد منافع کی منتقلی، سالانہ اجلاس عام 2023 میں شرکت اور ووٹ دینے کا مجاز تسلیم کیا جائے گا۔

۳۔ سالانہ اجلاس عام میں شرکت اور نمائندے کی تقرری

الف: سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا حقدار رکن کسی دوسرے رکن کو اپنی طرف سے شرکت کرنے، بولنے اور ووٹ دینے کے لئے اپنا نمائندہ (پراکسی) مقرر کرنے کا حقدار ہے۔

ب: نمائندگی، پاور آف اٹارنی یا دیگر اختیارات کا تقرر کرنے کے لئے ایک دستخط شدہ اور نوٹری پبلک سے تصدیق شدہ دستاویز اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں لازمی جمع کروایا جائے۔ نمائندگی (پراکسی) کا فارم منسلک ہے۔

ج: سی ڈی سی اکاؤنٹ ہولڈر کو مزید درج ذیل رہنما ضوابط پر عمل کرنا ہوگا، جیسا کہ 26 جنوری 2000 کو پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے ذریعہ جاری کردہ سرکلر 1 میں بیان کیا گیا ہے۔

اعلان برائے سالانہ اجلاس عام

برائے اختتام پذیر سال 30 جون 2023

اس اعلان کے ذریعے اراکین کو مطلع کیا جا رہا ہے کہ انٹرنیشنل اسٹیلو لمیٹڈ کا سالانہ اجلاس عام 26 ستمبر 2023 کو صبح 10:30 بجے عیسین ہال، بیچ گلوری ہوٹل، عقب ایم ٹی خان روڈ کراچی میں درج ذیل مقاصد کے لئے منعقد کیا جا رہا ہے۔
 اراکین کو ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کی ترغیب دی جاتی ہے۔

عمومی کارروائی

مالیاتی گوشوارے

۱۔ یہ اجلاس 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشوارے اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے تجزیے وصول کرنے، ان پر غور کرنے اور انہیں منظور کرنے کے لئے منعقد کیا جا رہا ہے۔

کمپنیز ایکٹ 2017 کے سیکشن 223 اور ایس آر او نمبر 2023 / (1) 389 بتاریخ 21 مارچ 2023 کے تحت کمپنی کی سالانہ رپورٹ بمعہ مالیاتی گوشوارے حصص یافتگان کو بھیجے جا چکے ہیں اور ادارے کی ویب سائٹ <http://www.isl.com.pk/investors> پر بھی اپ لوڈ کیے جا چکے ہیں، جنہیں درج ذیل QR فعال کوڈ کے ذریعے بھی دیکھا جاسکتا ہے:



منافع

۲۔ 2.5 روپے فی حصص یعنی 25 فیصد کی بطور حتمی نقد منافع کی ادائیگی پر غور کرنا اور اسے منظور کرنا جو پیشگی ادا شدہ 30 فیصد عبوری نقد منافع کے علاوہ ہے۔ جس کے تحت مجموعی طور پر 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے کل 5.5 روپے فی حصص یعنی 55 فیصد کا مجموعی منافع بنتا ہے، جیسا کہ بورڈ آف ڈائریکٹرز نے تجویز کیا تھا۔

آڈیٹر

۳۔ اس اجلاس میں 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے معاوضے طے کئے جائیں گے۔ سبکدوش ہونے والے آڈیٹرز M/s A. F. Ferguson & Co. نے اہل ہونے کے سبب تقرری کے لئے باہمی رضامندی سے طے ہونے والی مشاہرے بمعہ غیر متوقع اخراجات کی عوض خود کو دوبارہ پیش کیا ہے۔

خصوصی کارروائی

سالانہ رپورٹ کی منتقلی بشمول نوٹس برائے اجلاس عام

۴۔ ایک عام قرارداد جس کے تحت ایس آر او نمبر 2023 / (1) 389 بتاریخ 21 مارچ 2023 کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے احکامات کے مطابق کمپنی کے حصص یافتگان کو سالانہ بیننس شیٹ، پروفٹ اینڈ لاس اکاؤنٹ، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ ("آڈٹ شدہ سالانہ مالیاتی بیانات") اور عام اجلاسوں کے نوٹس وغیرہ کی ترسیل بذریعہ ای میل یا QR فعال کوڈ اور ویب لنک بھیجنے کی منظوری کے لئے:

"تجویز کیا گیا، جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے ایس آر او نمبر 2023 / (1) 389 بتاریخ 21 مارچ 2023 کے ذریعے مطلع کیا گیا، جس کے تحت مستقبل میں ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشوارے CD / DVD / USB کے ذریعے ارسال کرنے کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے بھیجنے کی توثیق اور منظوری دی جائے۔"

دیگر کارروائی

۵۔ صاحب صدر کی اجازت سے کسی دوسرے مسئلے پر اظہار خیال جو سالانہ اجلاس عام میں بیان کیا جاسکے۔
 کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت مطلوبہ معلومات حصص یافتگان کو بھیجے جانے والے سالانہ اجلاس عام 2023 کے نوٹس کے ساتھ فراہم کی جا رہی ہیں۔

بحکم بورڈ انٹرنیشنل اسٹیلو لمیٹڈ

شان انصاری

کمپنی سیکریٹری اور سربراہ قانونی امور

کراچی: 21 اگست 2023

E-DIVIDEND MANDATE FORM



Shaping Tomorrow

To:

Date: _____

Subject: Bank Account Details For Payment Of Dividend Through Electronic Mode

Dear Sir,

I/We/Messrs., _____
Being a/the shareholder(s) of International Steels Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Shareholder's Address	
Contact Number (Landline & Cell Nos.)	
Email	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours sincerely

Signature of Shareholder

(Please affix company stamp in case of a corporate entity)

Notes:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account
2. This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.



Shaping Tomorrow

PROXY FORM



Shaping Tomorrow

I / We _____
of _____
being a member of **INTERNATIONAL STEELS LIMITED** and holder of _____
ordinary shares as per Share Register Folio No. _____ and / or CDC Participant I.D.
No. _____ and Sub Account No. _____
hereby appoint _____ of _____
_____ or failing him _____
of _____
as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on
September 26, 2023 and at any adjournment thereof.

Signed this _____ day of _____ 2023

WITNESS:

1 Signature _____
Name _____
Address _____
CNIC / Passport No. _____

Signature

Revenue
Stamp

2 Signature _____
Name _____
Address _____
CNIC / Passport No. _____

(Signature should agree with the
specimen signature registered with
the Company)

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy must be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.



Shaping Tomorrow

تشکیل نیابت داری

میں/ہم _____
 ساکن _____ بحیثیت انٹرنیشنل اسٹیلر لمیٹڈ کے _____
 رکن و حامل _____ عام حصص بمطابق شیئر رجسٹر فولیو نمبر _____
 اور/یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____
 محترم/محترمہ _____ ساکن _____
 یا بصورت دیگر محترم/محترمہ _____ ساکن _____
 کو اپنی جگہ مورخہ 26 ستمبر 2023 کو منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں/کرتے ہیں۔

گواہ:

1 دستخط _____

نام _____

پتہ _____

سی این آئی سی یا پاسپورٹ نمبر _____

2 دستخط _____

نام _____

پتہ _____

سی این آئی سی یا پاسپورٹ نمبر _____

ریونیونٹ چپاں کریں

دستخط _____

(دستخط کمپنی میں پہلے سے موجود)

نمونے کے مطابق ہونے چاہئیں)

نوٹ: پراکسیز کے مؤثر ہونے کیلئے ضروری ہے کہ ان کی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔ یہ ضروری ہے کہ پراکسی کمپنی کارکن ہو۔

سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے گزارش ہے کہ وہ پراکسی فارم پیش کرنے سے قبل اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل اپنے پراکسی فارم کے ساتھ ضرور منسلک کر لیں۔

GLOSSARY

AGM	Annual General Meeting	IFC	International Finance Corporation
API	American Petroleum Institute	IFRIC	International Financial Reporting Interpretation Committee
ATIR	Appellate Tribunal Inland Revenue	IFRS	International Financial Reporting Standards
ATL	Active Tax Payer List	IIL	International Industries Limited
BAC	Board Audit Committee	IPO	Initial Public Offering
BCP	Business Continuity Planning	ISL	International Steels Limited
Board/BOD	Board of Directors	ISO	International Standards Organization
CBA	Collective Bargaining Agreement	IT	Information Technology
CCG	Code of Corporate Governance	ITAT	Income Tax Appellate Tribunal
CDC	Central Depository Company	ITRA	Income Tax Reference Application
CEO	Chief Executive Officer	JV	Joint Ventures
CFO	Chief Financial Officer	KE	Karachi Electric
CIR	Commissioner Inland Revenue	KIBOR	Karachi Interbank Offer Rate
CIT	Commissioner Income Tax	KPMG	Klynveld Peat Marwick Goerdeler
COLA	Cost of Living Allowance	LIBOR	London Interbank Offered Rate
CPEC	China Pakistan Economic Corridor	LSM	Large Scale Manufacturing
CRC	Cold Rolled Coil	LTC	Lost Time Case
CSR	Corporate Social Responsibility	LTIFR	Lost Time Injury Frequency Rate
CTAC	Citizens Trust Against Crime	LTU	Large Taxpayers Unit
CWIP	Capital Work in Progress	M&A	Memorandum and Articles
DBN	Debottlenecking	MAP	Management Association of Pakistan
EBIT	Earnings before Interest and Taxation	MC	Management Committee
EBITDA	Earnings before Interest, Taxation Depreciation and Amortization	MFN	Most Favourable Nation
EC	Executive Committee	MoC	Ministry of Commerce
EFP	Employees Federation of Pakistan	MT	Metric Ton(s)
EPS	Earning Per Share	NBV	Net Book Value
ERW	Electric Resistance Weld	NEPRA	National Electric Power Regulatory Authority
ETP	Effluent Treatment Plant	NFEH	National Forum for Environment and Health
EY	Ernst Young	NOC	No Objection Certificate
FBR	Federal Board of Revenue	NRV	Net Realizable Value
FPAP	Fire Protection Association of Pakistan	NTC	National Tariff Commission
FTA	Free-Trade Agreement	OHSAS	Occupational Health and Safety Assessment Specification
FTO	Federal Tax Ombudsman	OPEC	Organization of the Petroleum Exporting Countries
FTR	Final Tax Regime	PACRA	Pakistan Credit Rating Agency
FY	Fiscal Year	PAT	Profit after tax
GDP	Gross Domestic Product	PCL	Pakistan Cables Limited
GIDC	Gas Infrastructure Development Cess	PICG	Pakistan Institute of Corporate Governance
GoP	Government of Pakistan	PKR	Pakistan Rupees
HoD	Head of Department	PSX	Pakistan Stock Exchange
HR	Human Resource	Rs.	Pakistani Rupees
HR&RC	Human Resources & Remuneration Committee	SECP	Securities and Exchange Commission of Pakistan
HRC	Hot Rolled Coil	SHC	Sindh High Court
HSE	Health, Safety and Environment	TCF	The Citizens Foundation
IAS	International Accounting Standards	US\$/USD	United States Dollar
IBA	Institute of Business Administration		
ICAP	Institute of Chartered Accountants of Pakistan		
ICMAP	Institute of Cost and Management Accountants of Pakistan		
IFAC	International Federation of Accountants		



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

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