

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

Geographical location and address of business units/plants

<u>Purpose</u>	<u>Location</u>	<u>Address</u>
Head Office	Lahore	4th Floor Ibrahim Trade Centre, 1-Aibak Block, Barkat Market, New Garden Town.
Registered Office	Karachi	101, Chapal Plaza, Hasrat Mohani Road.
Mill/Plant Site	Phoolnagar	52 Km, Multan Road.

2 SIGNIFICANT TRANSACTIONS & EVENTS EFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- 2.1 Due to applicability of Companies Act, 2017 certain disclosures of the financial statements have been presented in accordance with the 4th Schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O 1169 dated 7 November 2017.
- 2.2 The company has made a provision of Rs. 17,913,835/- against unrecoverable advances paid for purchase of plant & machinery in previous years as disclosed in note. 5.2. The said provision has been compensated by the way of one time special grant from directors of the company by equivalent amount.
- 2.3 During the year Capital Work In Progress have been transferred to operating assets mainly to Building on free hold land and Plant and Machinery respectively. It also results in increase in depreciation expense for the year.
- 2.4 The company has started its Commercial Production during the year which results in transactions & balances namely purchases, sales, creditors, trade debtors and advances as disclosed at their respective places. Number of the Employees of the company has also been increased to cater with the production process resulting increased salary expense for the year.
- 2.5 As on 30 June 2017, cash at bank includes funds amounting to Rs. 668,708,971/- were kept in an escrow account at the directions of SECP, during the year the company had released the amounts and utilized as per purposes specified in request letter for release of funds.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Approved accounting standards comprise such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017. Wherever, the requirements of the Companies Act, 2017 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Act, 2017 or the requirements of the said directives shall prevail.

3.2 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.3 Basis of Measurement

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

3.4 Use of Estimates And Judgments

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows: -

- **Property, plant and Equipment**

The Company estimates the rate of depreciation of property and equipment. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying

amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

- **Income Taxes**

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

- **Trade receivables**

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

- **Employee benefits**

The Company, on the basis of actuarial valuation report, recognises actuarial gains and losses immediately in other comprehensive income; immediately recognises all past service cost in profit & loss account and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/asset. (Refer note 4.17)

3.5 Initial Application of a Standard, Amendment or an Interpretation to an Existing Standard and Forthcoming Requirements

a) amendments in the statutory financial reporting framework applicable to the Company:

The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to,

<u>Note</u>	<u>Particular</u>
1	Geographical location and address of business units/plants
2	Significant transactions & events effecting the company's financial position and performance
5.1.2	Particulars of immovable assets of the Company
30	Management assessment of sufficiency of tax provision in the financial statements
34	Change in threshold for identification of executives
33, 23	Additional disclosure requirements for related parties
36	Additional disclosure requirements for production capacity
37	Additional disclosure requirements for number of employees

b) Standards and interpretations that became effective but are not relevant to the company:

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

- IFRS-12 Disclosure of Interests in Other Entities (Amended)
- IAS-7 Statement of Cash Flows (Amended)
- IAS-12 Income Taxes (Amended)

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

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

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

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - (Amended)-(effective for annual periods beginning on or after 1 January 2018) - Not notified by SECP.
- IFRS 2 - Share Based Payments - (Amended)-(applicable for annual periods beginning on or after 1 January 2018).
- IFRS 3 - Business Combinations - (Amended)-(applicable for annual periods beginning on or after 1 January 2019) (IFRS 17 will replace IFRS 4 as of 1 January 2021).
- IFRS 4 - Insurance contracts - (Amended)-(applicable for annual periods beginning on or after 1 January 2018) - Not notified by SECP.
- IFRS 9 - Financial Instruments: Classification and Measurements - (applicable for annual periods beginning on or after 1 July 2018).
- IFRS 12 - Disclosure of Interests in Other Entities (Amended) - (applicable for annual periods beginning on or after 1 January 2017).
- IFRS 11 - Joint Arrangements (Amended by Annual Improvements to IFRS Standards 2015–2017 Cycle)- (applicable for annual periods beginning on or after 1 January 2019).
- IFRS 14 - Regulatory Deferral Accounts - (applicable for annual periods beginning on or after 1 January 2016) - Not notified by SECP.
- IFRS 15 - Revenue from Contracts with Customers - (applicable for annual periods beginning on or after 1 July 2018).
- IFRS 16 - Leases - (applicable for annual periods beginning on or after 1 January 2019).
- IFRS 17- Insurance Contracts - (effective for annual periods beginning on or after 1 January 2021) - Not notified by SECP.
- IAS 7- Statement of Cash Flows - (Amended)-(effective for annual periods beginning on or after 1 January 2017).
- IAS 12- Income Taxes - (Amended)-(effective for annual periods beginning on or after 1 January 2019).
- IAS 19 - Employee Benefits-(Amended)- (effective for annual periods beginning on or after 1 January 2019).

- IAS 28 - Investments in Associates-(Amendments resulting from annual improvements 2014-2016 cycle)-(effective for annual periods beginning on or after 1 January 2018).
- IAS 28 - Investments in Associates-(Amended by Long-term Interests in Associates and Joint Ventures)- (effective for annual periods beginning on or after 1 January 2019).
- IAS 39 - Financial Instruments: Recognition and Measurement -(Amended)-(effective for annual periods beginning on or after 1 January 2018).
- IAS 40 - Investment Property - (Amended)-(applicable for annual periods beginning on or after 1 January 2018).
- IFRIC 22 - Foreign Currency Transaction and Advance Consideration - (applicable for annual periods beginning on or after 1 January 2018).
- IFRIC 23 - Uncertainty Over Income Tax Treatments - (applicable for annual periods beginning on or after 1 January 2019).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.01 Property, plant, equipment and depreciation.

These are initially measured at cost. Subsequent to initial recognition these are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land and capital work-in-progress, which are stated at cost less any identified impairment loss. Depreciation on fixed assets is charged to income by applying reducing balance method except that of plant and machinery which is on straight line basis/Number of units method. Rates of depreciation are specified in the relevant note.

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

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain/ loss on disposal of fixed assets are recognized in the profit and loss account.

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

4.02 Stores and spares

These are valued at lower of moving average cost and Net Realizable Value (NRV).

4.03 Stock in trade

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

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

4.04 Trade debtors and other receivables

Trade debts are recognised and carried at original invoice amount less provision for doubtful debts. An estimated provision is made when collection of the full amount no longer receivable. Bad debts are written-off as and when identified. Other receivable are recognised and carried at cost which is the fair value of the consideration to be received in future for goods or services.

4.05 Cash and Cash Equivalents

Cash in hand and cash at bank, which are held to maturity, are carried at cost. For the purpose of cash flow statements, cash equivalent are short-term highly liquid instrument that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

4.06 Long term loans

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

4.07 Trade and Other Payables

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

4.08 Taxation**Current**

Provision for taxation is determined in accordance with the provisions of Income Tax Ordinance, 2001.

Deferred

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of all deferred tax assets are reviewed at each Statement of Financial Position date and reduced to the extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

4.09 Provisions

A provision is recognized when the Company has an obligation (legal or constructive), as a result of a past event and it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.10 Revenue Recognition

Sales are recognised upon passage of title to the customers which generally coincides with physical delivery. Profits on bank deposits are recognised on time proportion basis. Interest income is recorded on accrual basis using effective interest rate. Other revenues are accounted for on accrual basis.

4.11 Financial Instruments

All the financial assets and liabilities are initially measured at fair value, and subsequently measured at fair value or amortized cost as the case may be. The Company derecognizes the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.12 Off-Setting of Financial Assets And Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and to settle the liabilities simultaneously.

4.13 Impairment

The carrying amounts of the company's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment loss. If any such indication exists, the assets recoverable amount is estimated and if the carrying amount of the asset is in excess of its recoverable amount, impairment loss is recognised as an expense to the extent carrying amount exceed the recoverable amount.

4.14 Related Party Transactions

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

4.15 Foreign Currency Translation

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

4.16 Borrowing Cost

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

4.17 Staff retirement benefit

Defined Benefit Plan

The Company operates a non-funded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Provision is made annually to cover the obligations under the scheme on the basis of actuarial recommendation. Actuarial valuation of the scheme is undertaken at appropriate regular intervals and the latest valuation was carried out on 30 June 2018 using the "Projected Unit Credit Method". The fair value of plan assets are amortized over the expected average working lives of the participating employees. Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under this scheme.

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

	Note	2018 Rupees	2017 Rupees
5.2 Capital work in progress			
Land development			
Opening balance		14,314,430	14,314,430
Additions		370,982	-
Transfer to civil works		(14,685,412)	-
Closing balance		-	14,314,430
Civil works			
Opening balance		212,049,809	209,231,543
Additions		5,449,774	2,818,266
Transfer from Land development		14,685,412	-
Transfer from Plant and machinery		361,607	-
Transfer to operating assets - Building on Free Hold Land	5.1	(232,546,602)	-
Closing balance		-	212,049,809
Plant and machinery			
Opening balance		1,397,758,250	1,294,830,568
Additions		255,009,067	102,927,682
Borrowing cost allocated		591,981,243	-
Transfer to Civil works		(361,607)	-
Transfer to operating assets - Plant and Machinery	5.1	(2,227,726,694)	-
Transfer to operating assets - Office Equipment	5.1	(271,100)	-
Transfer to operating assets - Electric Equipment	5.1	(3,514,565)	-
Transfer to Stores and spares		(8,852,127)	-
Closing balance		4,022,467	1,397,758,250
Advances for plant and machinery			
Opening balance		17,913,835	231,097,985
Additions		-	-
Advances adjusted/received back		-	(213,184,150)
Provision against doubtful advances	5.2.1	(17,913,835)	-
Closing balance		-	17,913,835
Unallocated borrowing costs			
Opening balance		556,789,671	496,394,142
Additions/(Deletion)		35,191,572	60,395,529
Transfer to Capital work in progress- Plant and machinery		(591,981,243)	-
		-	556,789,671
		4,022,467	2,198,825,995

5.2.1 Provision of Rs. 17,913,835/- has been made against unrecoverable advances paid for purchase of plant & machinery. The company has recovered and adjusted advances of Rs. 213,184,150/- from suppliers against advances paid for purchase of plant and machinery due to quality issues. The management has decided to create provision for doubtful debts in respect of the remaining amount of Rs. 17,913,835/- refer note 29.

	Note	2018 Rupees	2017 Rupees
6 LONG TERM SECURITY DEPOSITS			
Against utilities	6.1	40,281,345	13,310,345
Against rent		540,000	540,000
Others		60,000	60,000
		40,881,345	13,910,345
6.1 Against utilities	6.1.1	41,451,345	14,480,345
Less: Current portion		(1,170,000)	(1,170,000)
		40,281,345	13,310,345
6.1.1	This includes security deposit against Gas of Rs 1.17 million (2017: Rs. 2.34 million) repayable in 10 years having mark-up @ 1.5% (2017: 1.5%) per annum.		
	Note	2018 Rupees	2017 Rupees
7 DEFERRED TAX ASSETS			
Taxable / (deductible) temporary differences due to:			
Accelerated accounting depreciation		-	(226,629)
Provision for gratuity		-	(1,272,983)
Assessed tax losses		-	(48,452,676)
		-	(49,952,288)
Unrecognized deferred tax asset		-	49,952,288
		-	-
8 STOCK IN TRADE			
Raw material		120,912,804	-
Work in process		19,428,785	-
Finished goods		116,160,381	-
		256,501,970	-
9 TRADE DEBTS			
Unsecured & considered good by the management		112,743,907	-
10 ADVANCES			
Unsecured & considered good by the management			
Advances			
To employees		325,094	165,000
For supplies/services	10.1	51,828,953	3,102,160
Others		387,983	119,383
		52,542,030	3,386,543
10.1 For supplies/services		53,028,953	4,302,160
Provision against doubtful debts		(1,200,000)	(1,200,000)
		51,828,953	3,102,160
11 SHORT TERM PREPAYMENTS			
Prepaid rent		764,019	-
12 INTEREST ACCRUED			
Interest accrued on - security deposits		8,703	17,406
		8,703	17,406

	Note	2018 Rupees	2017 Rupees
13 OTHER RECEIVABLE			
Considered doubtful			
Receivable against trading		506,560	506,560
Provision against doubtful receivable		<u>(506,560)</u>	<u>(506,560)</u>
		<u>-</u>	<u>-</u>

14 CASH AND BANK BALANCES

Cash in hand		72,834	161,815
Cash at banks:			
- current accounts		<u>12,530,014</u>	707,720,609
- deposit accounts		<u>18,889,025</u>	73,317,382
	14.1	<u>31,419,039</u>	781,037,991
		<u>31,491,873</u>	<u>781,199,806</u>

14.1 It includes balances pertaining to proceeds from the right issue amounting to Rs. Nil (2017: Rs. 668,708,971/-) kept in an escrow account at the directions of SECP and Rs. 17,060,138/- (2017: Rs. 12,684,520/-) in a repayment account for long term loans.

	Note	2018 Rupees	2017 Rupees
15 ISSUED, SUBSCRIBED AND PAIDUP CAPITAL			
		2018	2017
		Number of shares	
		<u>315,733,860</u>	315,733,860
		Ordinary share of Rs.10 each	
	15.1	<u>3,157,338,600</u>	3,157,338,600
		fully paid in cash	

Reconciliation of number of shares at beginning and at end of the period is as under :

<u>315,733,860</u>	67,464,500	At beginning of the year	3,157,338,600	674,645,000
-	248,269,360	Issued during the period against cash	-	2,482,693,600
<u>315,733,860</u>	<u>315,733,860</u>	At end of the year	<u>3,157,338,600</u>	<u>3,157,338,600</u>

15.1 It includes 85,162,385 ordinary shares of Rs.10 each amounting to Rs. 851,623,850/- held by related parties.

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

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

	Note	2018 Rupees	2017 Rupees
16 DISCOUNT ON ISSUE OF RIGHT SHARES		<u>1,365,481,480</u>	<u>1,365,481,480</u>

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

17 ADVANCE FOR ISSUANCE OF SHARES-UNSECURED

From Crescent Star Insurance Limited (Associated Company)		354,279,066	354,279,066
From directors		3,820,953	3,820,953
		<u>358,100,019</u>	<u>358,100,019</u>

The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL) and directors of the company which will be adjusted against shares in capital of the company whenever there is next issue. The advances are un-secured and interest free. CSIL has unilaterally after the right issue started claiming mark up @ 1 year KIBOR + 3% which directors of the company don't accept being against the agreed terms.

	Note	2018 Rupees	2017 Rupees
18 LONG TERM FINANCING - SECURED			
Term Finance - Restructured Facilities	18.1		
From banking companies and financial institutions			
Opening balance		837,349,851	886,576,455
Additions during the year		-	-
		837,349,851	886,576,455
Paid during the year		(12,879,954)	(49,226,604)
		824,469,897	837,349,851
Less: Current portion		(32,602,836)	(13,972,644)
Less: Overdue portion	18.1.1	(8,741,284)	(7,648,624)
		<u>(41,344,120)</u>	<u>(21,621,268)</u>
		<u>783,125,777</u>	<u>815,728,583</u>

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

Terms of rescheduled and restructured agreement are as follows:

- a) For the repayment of the unpaid markup, mark up has been calculated on the total outstanding amount from the date of last payment till 30 June 2016 - the assumed date of commissioning @ 8% per annum. The total Mark up calculated will be converted into a "Zero Coupon TFC convertible into ordinary shares". All the TFCs issued will be completely converted into equity/ordinary shares by 2027 as per the following schedule:

	Year 9th 2024	Year 10th 2025	Year 11th 2026	Year 12th 2027
Percentage of TFC converted	25%	25%	25%	25%

The Conversion shall be held on the 20th Day of December each year at a discount of 5% to the last six months weighted average price of the company shares at Karachi Stock Exchange Limited (Now Pakistan Stock Exchange Limited)

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

18.1.1 Overdue portion of liability represents the instalments duly deposited by company as per arrangement in a designated bank account maintained with Faysal Bank Limited for the purpose but Pak Kuwait Investment Company (Private) Limited has not accepted the payment. Management of the company as per arrangement can't withdraw amounts once deposited in the designated bank account.

	Note	2018 Rupees	2017 Rupees
19 MARKUP ACCRUED - LONG TERM FINANCING			
On secured loans Refer note 18		614,940,264	614,940,264
20 DEFERRED LIABILITIES			
Deferred Taxation	20.1	30,777,869	-
Staff gratuity	20.2	6,485,332	4,243,275
		37,263,201	4,243,275

	2018 Rupees	2017 Rupees
20.1 Deferred Taxation		
Taxable temporary differences:		
Depreciation on Property, plant and equipment	100,682,138	-
Deductible temporary differences:		
Gratuity-employees benefits	(1,880,746)	-
Accumulated Tax losses	(68,023,523)	-
	<u>30,777,869</u>	<u>-</u>
Reconciliation of Deferred Tax Liability:		
Opening deferred tax liability	-	-
Deferred tax expense / (income) related to the origination and reversal of temporary differences	30,744,922	-
Deferred tax attributable to Other Comprehensive Income	32,947	-
Closing deferred tax liability	<u>30,777,869</u>	<u>-</u>

20.2 Staff gratuity
Movement in net defined benefit obligation recognized in balance sheet:

Opening balance	4,243,275	1,873,561
Provision for the Period	3,116,082	2,369,714
	<u>7,359,357</u>	<u>4,243,275</u>
Less: Payments made during the Period	(874,025)	-
	<u>6,485,332</u>	<u>4,243,275</u>

The Company operates a non-funded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity scheme is undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2018, using the "Projected Unit Credit Method". The relevant information in the actuarial report is given in the following sub notes. The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30 June 2018 according to the amended IAS-19 "Employees Benefits".

The amounts recognized in the Statement of Financial Position are as follows:

Defined Benefit Obligation	4,559,982	4,243,275
Fair Value of Plan Assets	-	-
Benefits due but not paid	1,925,350	-
Present value of defined benefit obligation as at end of the year	<u>6,485,332</u>	<u>4,243,275</u>

	Note	2018 Rupees	2017 Rupees
Reconciliation of Defined Benefit Obligation is as follows:			
Present value of defined benefit obligation at the beginning of the year		4,243,275	1,873,561
Current Service Cost		2,944,224	2,706,477
Interest expense		285,470	135,833
Benefits paid during the year		(874,025)	-
Benefits due but not paid		(1,925,350)	-
Actuarial (gains) / losses from effect of experience adjustments		(113,612)	(472,596)
Present value of defined benefit obligation as at end of the year		4,559,982	4,243,275

Amount charged to profit and loss account during the year:

-Current Service Cost		2,944,224	2,706,477
-Interest expense		285,470	135,833
Defined benefit cost included in Profit & Loss		3,229,694	2,842,310

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

Cost of sales	26.1	2,381,983	-
Administrative and selling expenses	27.1	847,711	2,842,310
		3,229,694	2,842,310

Amount charged to other comprehensive income during the year:

-Experience adjustments		(113,612)	(472,596)
Total re-measurements charged to other comprehensive income		(113,612)	(472,596)

Actuarial assumptions used for valuation of the defined benefit obligation are as under:
Weighted - average assumptions used to determine defined benefit obligations

Discount rate	9.00%	7.50%
Rate of salary increase	8.00%	6.50%

Weighted - average assumptions to determine defined benefit cost

Discount rate	7.50%	7.25%
Rate of salary increase	6.50%	6.25%

The following demographic assumptions were used in valuing the liabilities and benefits under the plan.

Mortality	SLIC (2001-05) Individual Life Ultimate Mortality Table with one year setback
Disability	N.A.
Withdrawal	Age 20-40: 25% to 2.5% , Age 41-55: 2.5% to 0.156%
Retirement age	60 years

	2018	2017
	Rupees	Rupees
Year end Sensitivity Analysis on defined benefit obligation:		
Current DBO	4,559,982	4,243,275
1% Increase in Discount rate	4,262,976	3,932,676
1% Decrease in Discount rate	5,037,763	4,599,531
1% Increase in Salary Increase Rate	5,047,603	4,604,202
1% Decrease in Salary Increase Rate	4,234,591	3,911,195

21 TRADE & OTHER PAYABLES

Creditors - unsecured	34,012,897	4,364,598
Advances from customers - unsecured	16,122,473	-
Accrued liabilities	16,378,392	3,317,967
Gratuity payable	3,511,341	3,691,341
Income tax deducted at source	9,864,727	6,522,365
Unpresented cheques	5,336,849	5,336,849
	<u>85,226,679</u>	<u>23,233,120</u>

22 ACCRUED MARKUP

Long term financing - secured	<u>8,318,854</u>	<u>4,215,915</u>
-------------------------------	-------------------------	------------------

It represents mark up pertaining to over due portion (as explained in note 18) of Pak Kuwait Investment Company (Private) Limited which they have not withdrawn from the designated bank account maintained for the purpose with Faysal Bank Limited.

	2018	2017
	Rupees	Rupees

23 SHORT TERM BORROWINGS

Unsecured & Interest Free

Loan from directors	34,117,219	52,031,054
Loan from sponsors	60,363,962	60,363,962
	<u>94,481,181</u>	<u>112,395,016</u>

These loans are unsecured, interest free and have been obtained in previous years to facilitate the company for construction of plant and had been utilized accordingly.

The only movement during the year is due to adjustment against one time special grant as per note 29.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 The company is not exposed to any contingent liability in respect of syndicated loan at the Statement of Financial Position date, in view of restructuring agreement - Note 18.

In the year ended June 30, 2015, two suits were pending against company in the High Court for the recovery of Rs. 1,299,588,534/- and Rs. 122,197,136/- respectively filed by Faysal bank and others and Pakistan Kuwait Investment Company (Private) Limited.

24.1.2 The company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL) as described in note 17. The advance was interest free and the fact was confirmed in the last year's confirmation. The CSIL after the right issue unilaterally started claiming mark up @ 1 year KIBOR + 3% which directors of the company don't accept being against the agreed terms and is apparently illegal demand. The amount of disputed mark up calculates to Rs. 84,136,595/-.

	Note	2018 Rupees	2017 Rupees
24.2 Commitments			
Capital commitments		<u>53,349,811</u>	<u>52,647,840</u>
Non-capital commitments		<u>5,565,624</u>	<u>6,678,906</u>
25 SALES			
Bar Sales		370,958,412	-
End Cut		4,667,170	-
		<u>375,625,582</u>	<u>-</u>
26 COST OF SALES			
Raw material consumed			
Add: Opening stock of raw material		-	-
Purchased during the year		554,098,125	-
Less: closing stock of raw material		(120,912,804)	-
		433,185,321	-
Manufacturing overheads			
Salaries, Wages and other benefits	26.1	30,531,968	-
Stores and spares consumed		1,468,680	-
Fuel, power and water		11,448,575	-
Travelling and conveyance		1,957,673	-
Rent, rates and taxes		127,655	-
Mess expenses		942,601	-
Entertainment		1,118,788	-

	Note	2018 Rupees	2017 Rupees
Repair and maintenance		2,466,236	-
Printing and stationery		122,474	-
Internet charges		97,390	-
Insurance		468,872	-
Depreciation	5.1.1	10,928,629	-
Others		57,102	-
		61,736,643	-
Add: Opening stock- work in progress		-	-
Less: Closing stock- work in progress		(19,428,785)	-
		(19,428,785)	-
Cost of goods manufactured		475,493,179	-
Add: opening stock of finished goods		-	-
Less: Closing stock of finished goods		(116,160,381)	-
		(116,160,381)	-
		359,332,798	-

26.1 Salaries and other benefits include Rs. 2,381,983/- (2017 : Nil) in respect of gratuity (note 20.2).

	Note	2018 Rupees	2017 Rupees
27 ADMINISTRATIVE AND SELLING EXPENSES			
Salaries and other benefits	27.1	30,411,261	28,334,928
Utilities		2,227,166	1,970,157
Rent, rates and taxes		5,045,306	4,610,164
Printing and stationery		273,633	449,000
Vehicle running and maintenance		941,169	1,164,535
Shares transfer expenses		479,000	473,054
Telephone, postage and couriers		1,516,887	1,604,098
Directors' training fee	27.2	306,000	-
Directors' meeting fee	27.2	210,000	80,000
Auditors' remuneration	27.3	1,064,575	551,750
Legal and professional charges		4,749,200	33,459,430
Entertainment expenses		899,224	1,493,830
Mess expenses		-	911,524
Repairs and maintenance		489,307	788,513
Traveling and conveyance		3,957,971	2,492,844
Freight outward		2,499,666	-
Advertising expenses		490,483	82,110
Fees and subscription		8,862,614	5,887,078

	Note	2018 Rupees	2017 Rupees
Bad debts provision		17,913,835	1,200,000
Depreciation	5.1.1	569,501	1,278,612
General expenses		769,919	640,702
		83,676,717	87,472,329

27.1 Salaries and other benefits include Rs. 847,711/- (2017 : Rs. 2,842,310/-) in respect of gratuity (note 20.2).

27.2 These expenses has been paid to non-executive & independent directors as fee for attending boards meetings.

	Note	2018 Rupees	2017 Rupees
27.3 Auditors' remuneration			
Audit fee		346,500	288,750
CCG review fee		63,525	57,750
Interim half yearly review fee		127,050	115,500
Other Certification Charges		514,500	78,750
Out of pocket expenses		13,000	11,000
		1,064,575	551,750

28 FINANCE COST

Mark-up on long term financing	18,387,418	-
Bank charges and commission	2,787,501	167,933
	21,174,919	167,933

29 OTHER OPERATING INCOME

Income from financial assets

Interest on security deposits	26,397	43,804
Profit on Bank Deposit Accounts	2,064,720	562,813
	2,091,117	606,617

Income from non financial assets

Credit balances written off	-	5,543,350
Exchange Gain	882,400	-
Miscellaneous income	44,230	-
	926,630	5,543,350
Special Grant from directors	29.1	17,913,835
	20,931,582	6,149,967

29.1 The amount has been received as one time special grant from directors to compensate for the unrecoverable advances as mentioned in note 5.2.1 to resolve the matter.

	2018 Rupees	2017 Rupees
30 TAXATION		
Current Tax	4,695,320	-
Prior year Tax	108,560	-
Deferred Tax	30,744,922	-
	35,548,802	-

30.1 Relationship between tax expense & accounting profit

Tax charge reconciliation is not prepared as the company is charged to minimum tax and the relation between income tax expense and accounting profit is not meaningful.

30.2 Management assessment of sufficiency of tax provision

The provision for current year tax represents tax on turnover under section 113 of the Income Tax Ordinance, 2001 net of tax credits. As per management's assessment, the provision for tax made in the financial statements is sufficient. Due to non-commencement of commercial activity no provision under section 113 of the Income Tax Ordinance has been created for the previous three years.

	2017	2016	2015
Tax provision as per financial statements	Nil	Nil	Nil
Tax provision as per tax assessments	Nil	Nil	Nil

		2018 Rupees	2017 Rupees
31 LOSS PER SHARE - BASIC & DILUTED			
Loss attributable to ordinary shareholders	Rupees	(103,176,072)	(81,490,295)
Weighted average number of ordinary shares in issue		315,733,860	229,239,085
Loss per share - basic and diluted	Rupees	(0.33)	(0.36)

32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1 Financial Instrument by Category

Loans and receivables

Long term security deposits	40,881,345	13,910,345
Trade debtors	112,743,907	-
Current portion of Long term security deposits	1,170,000	1,170,000
Advances	325,094	165,000
Interest accrued	8,703	17,406
Other receivable	-	-
Cash and bank balances	31,491,873	781,199,806
	186,620,922	796,462,557

	2018 Rupees	2017 Rupees
Financial liabilities at amortized cost		
Advance for issuance of shares-unsecured	358,100,019	358,100,019
Long term financing - secured	783,125,777	815,728,583
Markup accrued on secured loans	614,940,264	614,940,264
Trade & other payables	59,239,479	16,710,755
Accrued Markup	8,318,854	4,215,915
Short term borrowings - unsecured	94,481,181	112,395,016
Current and overdue portion of long term borrowings	41,344,120	21,621,268
	<u>1,959,549,694</u>	<u>1,943,711,820</u>

32.2 Financial risk management

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

a) Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to a single customer.

Out of the total financial assets of Rs. 186,620,922/- (2017: Rs.796,462,557/-), the financial assets which are subject to credit risk amounted to Rs.186,548,088/- (2017: Rs.796,300,742).

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

	2018 Rupees	2017 Rupees
Long term security deposits	40,881,345	13,910,345
Trade debtors	112,743,907	-
Current portion of Long term security deposits	1,170,000	1,170,000
Advances	325,094	165,000
Interest accrued	8,703	17,406
Other receivable	-	-
Cash and bank balances	31,419,039	781,037,991
	<u>186,548,088</u>	<u>796,300,742</u>

	2018	2017
	Rupees	Rupees
<i>All the trade debtors at the balance sheet date represent domestic parties.</i>		
<i>The aging of trade receivable at the reporting date is</i>		
<i>Past due 1 - 30 days</i>	93,966,661	-
<i>Past due 30 - 90 days</i>	18,777,246	-
<i>Past due 90 days</i>	-	-
	112,743,907	-

Credit risk related to bank balance

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

Bank Name	Rating agency	Rating		Rupees 30-June-2018	Rupees 30-June-2017
		Short term	Long term		
Summit Bank Limited	JCR-VIS	A-1	A+	6,160	6,160
Askari Bank Limited	PACRA	A1+	AA+	4,530	4,530
Faysal Bank Limited	JCR-VIS & PACRA	A-1+ & A1+	AA	18,436,634	12,719,948
National Bank of Pakistan	JCR-VIS & PACRA	A-1+ & A1+	AAA	4,400	5,850
Silk Bank Limited	JCR-VIS	A-2	A-	482,040	113,764,175
United Bank Limited	JCR-VIS	A-1+	AAA	11,877,132	38,959,670
Soneri Bank Limited	PACRA	A1+	AA-	4,779	150,353,746
Habib Bank Limited	JCR-VIS	A-1+	AAA	603,364	210,293,867
MCB Bank Limited	PACRA	A1+	AAA	-	254,930,045
				31,419,039	781,037,991

b) Liquidity Risk

Liquidity / cash flow risk reflects the Company's inability of raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix. The Company is in process of negotiating with the lenders for rescheduling of long term loans. Further, the Company is working with syndicate consortium to arrange for working capital need to commence commercial production.

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

	2018				
	Carrying amount	Contractual cash flows	Six Months or less	Six to twelve months	More than one year
	----- Rupees -----				
Non-derivative financial liabilities					
Advance for issuance of shares-unsecured	358,100,019	-	-	-	-
Long term financing - secured	783,125,777	1,004,668,764	-	-	1,004,668,764
Markup accrued on secured loans	614,940,264	614,940,264	-	-	614,940,264
Trade & other payables	59,239,479	59,239,479	59,239,479	-	-
Accrued Markup	8,318,854	8,318,854	8,318,854	-	-
Short term borrowings - unsecured	94,481,181	94,481,181	94,481,181	-	-
Current and overdue portion of long term borrowings	41,344,120	94,221,032	44,703,610	49,517,422	-
	1,959,549,694	1,875,869,574	206,743,124	49,517,422	1,619,609,028
	----- Rupees -----				
	2017				
	Carrying amount	Contractual cash flows	Six Months or less	Six to twelve months	More than one year
	----- Rupees -----				
Non-derivative financial liabilities					
Advance for issuance of shares-unsecured	358,100,019	-	-	-	-
Long term financing - secured	815,728,583	1,090,148,512	-	-	1,090,148,512
Markup accrued on secured loans	614,940,264	614,940,264	-	-	614,940,264
Trade & other payables	16,710,755	16,710,755	16,710,755	-	-
Accrued Markup	4,215,915	4,215,915	4,215,915	-	-
Short term borrowings - unsecured	112,395,016	112,395,016	112,395,016	-	-
Current and overdue portion of long term borrowings	21,621,268	75,712,868	39,446,869	36,265,999	-
	1,943,711,820	1,914,123,330	172,768,555	36,265,999	1,705,088,776

c) Market risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will

fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

Interest rate risk

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

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments are: -

	2018	2017
	Rate	Rate
Financial asset		
Fixed rate - Long term security deposit	1.5%	1.5%
Financial liabilities		
Variable rate - Long term loans	3 Month KIBOR	3 Month KIBOR

Interest rate risk cash flow sensitivity

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

	2018	
	Change in BPS	Effect on profit before tax
Cash flow sensitivity-Variable rate		
Long term financing - secured	100 bps	7,831,258
Overdue portion	100 bps	87,413

Since the Company was in phase of construction and erection, therefore all borrowing cost had been capitalized as given under IAS-23 Borrowing costs in previous year, therefore, any such change in interest rates at the reporting date was not sensitive to profit and loss account and equity. So, comparative information has not been given in these financial statements.

Capital risk management

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

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

The net debt-to-equity ratios at 30 June 2018 and at 30 June 2017 are as follows:

	2018 Rupees	2017 Rupees
Total debts	918,951,078	949,744,867
Less: Cash and bank balances	(31,491,873)	(781,199,806)
Net debt	887,459,205	168,545,061
Total equity	1,106,750,046	1,209,845,453
Net debt-to-equity (Times)	0.80	0.14

Fair value of financial assets and liabilities

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

33 TRANSACTIONS WITH RELATED PARTIES

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

Transactions with related parties and associated undertakings, other than those disclosed elsewhere in these financial statements, are follows: -

	2018	2017
	Rupees	Rupees
Associated undertakings:		
Crescent Star Insurance Limited - Common Directorship		
Issuance of shares	-	67,500,000
Advance received for/(Adjusted against) issuance of shares	-	(67,500,000)
Key management personnel:		
Issued, subscribed and paid up capital		
Issuance of shares	-	261,003,173
Short term borrowings - Unsecured/Interest free		
(Paid to) / Received from directors/sponsors	-	66,702,782
Adjustment against Special grant received	(17,913,835)	-
Transferred to share deposit money account	-	(6)
Advance for issuance of shares-unsecured		
Transferred from short term loan account	-	6
Advance received for/(Adjusted against) issuance of shares	-	(261,003,173)
Other operating income		
Special Grant from directors	17,913,835	-

The outstanding balance payable to directors & sponsors is disclosed in note 17 and 23, amount due to associated undertakings in note 17, shares held by related parties in note 15.1 and Remuneration paid to chief executive and directors is disclosed in note 34 of the financial statements.

34 REMUNERATION AND OTHER BENEFITS TO CEO / DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2018	2017	2018	2017	2018	2017
	----- Rupees -----					
Managerial remuneration	-	-	-	-	13,866,000	8,436,000
Other allowances	-	-	-	-	9,244,000	5,624,000
Car allowances	-	-	-	-	3,526,200	2,440,733
Staff retirement gratuity	-	-	-	-	804,639	704,702
Directors' training fee	153,000	-	153,000	-	-	-
Directors' meeting fee	-	-	210,000	80,000	-	-
	153,000	-	363,000	80,000	27,440,839	17,205,435
Number of Person(s)	(1)	(1)	(5)	(5)	(5)	(3)

35 OPERATING SEGMENT

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

36 PRODUCTION CAPACITY

	2018	2017
	Metric Tons	
Total Installed Capacity - on three shift basis	<u>350,000.00</u>	<u>350,000.00</u>
Available Installed Capacity - on three shift basis	<u>116,666.67</u>	<u>-</u>
Actual Production	<u>5,368.47</u>	<u>-</u>

As the construction of plant & trial run just completed in February 2018, so the available installed capacity & actual production gives information for only 4 months.

The plant has been operated at low production capacity due to the delays in process because of first time operations & further only one shift of employees worked during said period.

37 NUMBER OF EMPLOYEES

	Number	
Number of employees as at 30 June		
- Factory Employees	<u>115</u>	<u>59</u>
- Other Employees	<u>22</u>	<u>18</u>
Average number of employees during the year		
- Factory Employees	<u>89</u>	<u>49</u>
- Other Employees	<u>20</u>	<u>15</u>

38 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

39 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are not any events after the balance sheet date causing any adjustment to / disclosure in financial statements except that of the following;

- i) Subsequent to the year end the Company has increased its authorised share capital by Rs. 400,000,000/- divided in to 40,000,000 shares of Rs. 10/- each for the purpose to issue shares to adjust advance against issuance of shares received from Crescent Star Insurance Limited.
- ii) Subsequent to the year end the existing Chief Executive Officer (CEO) of the Company has resigned from his post & new CEO has also been appointed on same day. So, These financial statements have signed by new CEO under his capacity. Further, previous CEO has also signed the financial statements as director.

40 CORRESPONDING FIGURES

The corresponding figures have been rearranged wherever necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangements.

41 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 28 September 2018 by the board of directors of the company.

42 GENERAL

Figures in the financial statements have been rounded-off to the nearest Rupees except where stated otherwise.

**Chief Executive Officer****Chief Financial Officer****Director**

**Pattern of Shareholding
As On 30/06/2018**

NO. OF SHAREHOLDERS	<----HAVING SHARES---->		SHARES HELD	PERCENTAGE
	From	To		
263		100	8001	0.0025
7365	101	500	3650015	1.1560
1951	501	1000	1935552	0.6130
4966	1001	5000	14968728	4.7409
1610	5001	10000	13160617	4.1683
681	10001	15000	8892475	2.8164
469	15001	20000	8721884	2.7624
323	20001	25000	7638579	2.4193
191	25001	30000	5423229	1.7177
147	30001	35000	4919400	1.5581
106	35001	40000	4066800	1.2880
78	40001	45000	3393060	1.0747
176	45001	50000	8692860	2.7532
49	50001	55000	2608620	0.8262
51	55001	60000	3005160	0.9518
33	60001	65000	2083465	0.6599
35	65001	70000	2399080	0.7598
43	70001	75000	3185862	1.0090
26	75001	80000	2047495	0.6485
18	80001	85000	1502450	0.4759
16	85001	90000	1423460	0.4508
17	90001	95000	1581000	0.5007
98	95001	100000	9783180	3.0986
12	100001	105000	1230500	0.3897
12	105001	110000	1305800	0.4136
8	110001	115000	902680	0.2859
12	115001	120000	1418700	0.4493
14	120001	125000	1749020	0.5540
10	125001	130000	1288000	0.4079
6	130001	135000	801800	0.2539
10	135001	140000	1373560	0.4350
3	140001	145000	431908	0.1368
25	145001	150000	3747500	1.1869

**Pattern of Shareholding
As On 30/06/2018**

NO. OF SHAREHOLDERS	<----HAVING SHARES---->		SHARES HELD	PERCENTAGE
	From	To		
7	150001	155000	1070000	0.3389
8	155001	160000	1268600	0.4018
3	160001	165000	491500	0.1557
8	165001	170000	1350280	0.4277
6	170001	175000	1048000	0.3319
3	175001	180000	536500	0.1699
4	180001	185000	738500	0.2339
3	185001	190000	568500	0.1801
2	190001	195000	387000	0.1226
24	195001	200000	4793700	1.5183
5	200001	205000	1015500	0.3216
5	205001	210000	1044589	0.3308
5	215001	220000	1091000	0.3455
3	220001	225000	671500	0.2127
2	225001	230000	454500	0.1440
3	230001	235000	700500	0.2219
4	235001	240000	948680	0.3005
4	240001	245000	971460	0.3077
8	245001	250000	1999000	0.6331
1	250001	255000	254500	0.0806
2	255001	260000	516500	0.1636
2	260001	265000	522860	0.1656
4	270001	275000	1087700	0.3445
3	275001	280000	838000	0.2654
1	280001	285000	282500	0.0895
1	285001	290000	287000	0.0909
12	295001	300000	3600000	1.1402
2	300001	305000	607500	0.1924
1	305001	310000	306500	0.0971
1	315001	320000	317000	0.1004
1	320001	325000	321500	0.1018
3	330001	335000	1000000	0.3167
2	335001	340000	675380	0.2139

**Pattern of Shareholding
As On 30/06/2018**

NO. OF SHAREHOLDERS	<----HAVING SHARES---->		SHARES HELD	PERCENTAGE
	From	To		
3	345001	350000	1050000	0.3326
1	350001	355000	355000	0.1124
1	355001	360000	355240	0.1125
2	360001	365000	729500	0.2310
1	365001	370000	368000	0.1166
3	370001	375000	1116000	0.3535
2	375001	380000	756000	0.2394
1	385001	390000	390000	0.1235
5	395001	400000	2000000	0.6334
2	405001	410000	819000	0.2594
1	415001	420000	417000	0.1321
1	420001	425000	425000	0.1346
1	425001	430000	430000	0.1362
1	430001	435000	435000	0.1378
1	435001	440000	437000	0.1384
3	445001	450000	1350000	0.4276
1	450001	455000	451690	0.1431
1	455001	460000	455742	0.1443
1	460001	465000	462500	0.1465
1	465001	470000	467000	0.1479
1	480001	485000	482000	0.1527
2	485001	490000	977000	0.3094
10	495001	500000	4999560	1.5835
1	515001	520000	520000	0.1647
1	520001	525000	525000	0.1663
1	545001	550000	550000	0.1742
2	565001	570000	1135000	0.3595
2	570001	575000	1148000	0.3636
1	575001	580000	579800	0.1836
1	595001	600000	600000	0.1900
3	605001	610000	1819220	0.5762
1	610001	615000	611000	0.1935
1	645001	650000	650000	0.2059

**Pattern of Shareholding
As On 30/06/2018**

NO. OF SHAREHOLDERS	<----HAVING SHARES---->		SHARES HELD	PERCENTAGE
	From	To		
1	710001	715000	713000	0.2258
1	715001	720000	720000	0.2280
1	720001	725000	722000	0.2287
1	735001	740000	735500	0.2329
1	745001	750000	750000	0.2375
1	755001	760000	757000	0.2398
3	795001	800000	2400000	0.7601
1	875001	880000	877500	0.2779
1	880001	885000	884500	0.2801
1	920001	925000	925000	0.2930
1	960001	965000	962000	0.3047
2	995001	1000000	2000000	0.6334
1	1000001	1005000	1003500	0.3178
1	1015001	1020000	1019820	0.3230
1	1045001	1050000	1050000	0.3326
1	1065001	1070000	1070000	0.3389
1	1695001	1700000	1700000	0.5384
1	1895001	1900000	1900000	0.6018
1	1930001	1935000	1930500	0.6114
1	2045001	2050000	2050000	0.6493
1	2060001	2065000	2063000	0.6534
1	2095001	2100000	2100000	0.6651
1	2200001	2205000	2203414	0.6979
1	2985001	2990000	2986043	0.9457
1	3420001	3425000	3424484	1.0846
1	3665001	3670000	3670000	1.1624
1	3710001	3715000	3714112	1.1763
1	4690001	4695000	4694500	1.4869
1	4715001	4720000	4715780	1.4936
1	5540001	5545000	5544688	1.7561
1	7505001	7510000	7508710	2.3782
1	8005001	8010000	8007196	2.5361
1	9465001	9470000	9468385	2.9988

**Pattern of Shareholding
As On 30/06/2018**

NO. OF SHAREHOLDERS	<----HAVING SHARES---->		SHARES HELD	PERCENTAGE
	From	To		
1	19840001	19845000	19843494	6.2849
1	22645001	22650000	22646793	7.1727
19065	Company Total		315733860	100

**Category of Shareholders
As On 30/06/2018**

Particulars	No of Folio	Balance Share	Percentage
SPONSORS, DIRECTORS, CEO AND CHILDREN	15	75686980	23.9718
ASSOCIATED COMPANIES	1	7020	0.0022
BANKS, DFI AND NBFI	4	10549385	3.3412
INSURANCE COMPANIES	2	125000	0.0396
MODARABAS AND MUTUTAL FUNDS	1	305000	0.0966
GENERAL PUBLIC (LOCAL)	18513	199602506	63.2186
GENERAL PUBLIC (FOREIGN)	455	12416003	3.9324
OTHERS	72	11880466	3.7628
FOREIGN COMPANIES	2	5161500	1.6348
Company Total	19065	315733860	100

**Category of Shareholders
As On 30/06/2018**

Folio No	Name	Code	Balance Held	Percentage
44744	NAIM ANWAR	1	100	0
44745	AMIR MAHMOOD	1	100	0
44746	SYED PARWEZ SHAHID	1	100	0
935024289	SAAD ZAHID	1	579800	0.1836
3277010030	ZAHID IFTAKHAR	1	19843494	6.2849
3277028918	JAMAL IFTAKHAR AHMED	1	22646793	7.1727
3277032684	NAJMA JAMAL IFTAKHAR	1	2986043	0.9457
3277055591	MONA ZAHID	1	400000	0.1267
3277055702	MUSTAFA JAMAL IFTAKHAR	1	7508710	2.3782
3277055815	BILAL JAMAL IFTAKHAR	1	8007196	2.5361
3277073207	SAAD ZAHID	1	3714112	1.1763
3277074427	MIAN NASSER HYATT MAGGO	1	1019820	0.323
3525056191	RAEES IFTAKHAR	1	5544688	1.7561
3525056203	NAVIDA RAEES	1	3424484	1.0846
13417039830	SYED ADNAN ALI ZAIDI	1	11540	0.0037
7328008016	CRESCENT STAR INSURANCE COMPANY LIMITED	2	7020	0.0022
2626000037	BANK AL HABIB LIMITED	4	962000	0.3047
6239000023	FIRST DAWOOD INVESTMENT BANK LIMITED	4	110000	0.0348
6700011865	ESCORTS INVESTMENT BANK LIMITED	4	9000	0.0029
7393000024	SUMMIT BANK LIMITED	4	9468385	2.9989
2139000029	PREMIER INSURANCE LIMITED	5	50000	0.0158
13748000915	ADAMJEE LIFE ASSURANCE CO.LTD - DGF	5	75000	0.0238
2113000708	FIRST UDL MODARABA	6	305000	0.0966
620025515	TRUSTEE LEVER BROTHERS EMPLOYEES	10	1500	0.0005
1651000027	FORTUNE SECURITIES LIMITED	10	1000000	0.3167
1669000026	SHAFFI SECURITIES (PVT) LIMITED	10	5000	0.0016
1826109215	TPS PAKISTAN (PRIVATE) LIMITED	10	100000	0.0317
1917000033	PRUDENTIAL SECURITIES LIMITED	10	1028	0.0003
3244000025	ZAFAR SECURITIES (PVT) LTD.	10	190000	0.0602
3277001340	SIZA (PRIVATE) LIMITED	10	125000	0.0396
3277013154	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	10	100000	0.0317
3277044600	AMIN AGENCIES (PVT) LTD	10	4000	0.0013
3277082362	TRUSTEES OF KHATIDA ADAMJEE FOUNDATION	10	1700000	0.5384
3277083462	NADEEM INTERNATIONAL (PVT.) LTD.	10	1900000	0.6018
3277089483	TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	10	2000	0.0006
3277089780	GLOBE MANAGERMENTS (PRIVATE) LIMITED	10	100000	0.0317
3525063817	NH SECURITIES (PVT) LIMITED.	10	20005	0.0063
3525067679	TRUSTEES KOHINOOR TEX MILLS LTD (RAIWIND DIV) EMP PROV FUND	10	500000	0.1584
3715003054	TRUSTEES OF CANTEEN STORES DEPARTMENT (0517)	10	1000	0.0003
3939000021	PEARL SECURITIES LIMITED	10	120000	0.038
4150016138	BABAR (PRIVATE) LIMITED	10	50000	0.0158
4184000022	AZEE SECURITIES (PRIVATE) LIMITED	10	240460	0.0762
4457000045	FDM CAPITAL SECURITIES (PVT) LIMITED	10	100000	0.0317
4457000078	FDM CAPITAL SECURITIES (PVT) LIMITED	10	50000	0.0158
4648000017	NCC-RETRIEVAL ACCOUNT	10	1500	0.0005
4705078456	TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND	10	1500	0.0005

**Category of Shareholders
As On 30/06/2018**

Folio No	Name	Code	Balance Held	Percentage
4895000026	DJM SECURITIES (PRIVATE) LIMITED	10	2050000	0.6493
5348000021	HH MISBAH SECURITIES (PRIVATE) LIMITED	10	20000	0.0063
5470000026	B & B SECURITIES (PRIVATE) LIMITED	10	17000	0.0054
5520000028	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	10	133000	0.0421
5660015202	TRUSTEE FRANCISCANS OF ST.JOHN THE BAPTIST PAKISTAN	10	80000	0.0253
5736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	10	151000	0.0478
5868000044	CLIKTRADE LIMITED	10	34	0
5884012310	MIAN NAZIR SONS INDUSTRIES (PVT) LIMITED	10	150000	0.0475
5884016386	MUHAMMAD SHAFI TANNERIES (PVT) LIMITED	10	250000	0.0792
5884017152	JAS TRAVELS	10	55000	0.0174
5884017699	J. K. SPINNING MILLS LIMITED	10	75000	0.0238
5892000025	MONEYLINE SECURITIES (PRIVATE) LIMITED	10	17000	0.0054
6445032526	STOCK MASTER SECURITIES (PVT) LTD	10	1000	0.0003
6619000026	CDC - TRUSTEE AKD OPPORTUNITY FUND	10	46500	0.0147
6650000022	SAAO CAPITAL (PVT) LIMITED	10	50000	0.0158
6650000048	SAAO CAPITAL (PVT) LIMITED	10	5000	0.0016
6684000029	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD.	10	100000	0.0317
6684095722	MAK SECURITIES (PRIVATE) LIMITED	10	1000	0.0003
6684159213	SHAFI FOODS (PRIVATE) LIMITED	10	50000	0.0158
6916000020	PASHA SECURITIES (PVT) LTD.	10	10000	0.0032
6957000026	BABA EQUITIES (PVT) LTD.	10	5000	0.0016
6999000022	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED	10	44	0
7146000023	TARIQ VOHRA SECURITIES (PVT) LIMITED	10	720000	0.228
7278000028	WASI SECURITIES (SMC-PVT) LTD.	10	3395	0.0011
7450000026	DAWOOD EQUITIES LTD.	10	31000	0.0098
7450024620	BRR FINANCIAL SERVICES (PVT.) LIMITED	10	7500	0.0024
9787002657	MEHDI SECURITIES (PRIVATE) LIMITED	10	1000	0.0003
10231000027	MSMANIAR FINANCIALS (PVT) LTD.	10	500	0.0002
10470000029	GPH SECURITIES (PVT.) LTD.	10	30000	0.0095
11478000028	CMA SECURITIES (PVT) LIMITED	10	35000	0.0111
11692000021	ABA ALI HABIB SECURITIES (PVT) LIMITED	10	243000	0.077
12153000025	RAH SECURITIES (PVT) LIMITED	10	75000	0.0238
12484018481	TRUSTEE-PAK BRUNEI INVESTMENT CO. LTD. EMP. PROVIDENT.FUND	10	63500	0.0201
12666001708	TRUSTEE OF HONNIE AND JAMSHED NUSSERWANJEE CHARITABLE TRUST	10	25000	0.0079
13417004073	BEAMING INVEST & SECURITIES(PVT.) LTD.	10	3000	0.001
13417023149	IMPERIAL INVESTMENT (PVT) LTD.	10	500	0.0002
13748000857	SUKKUR INSTITUTE OF BUSINESS ADMINISTRATION	10	10000	0.0032
14118000027	ASDA SECURITIES (PVT.) LTD.	10	50000	0.0158
14241000022	FIKREES (PRIVATE) LIMITED	10	13000	0.0041
14332000021	HIGH LAND SECURITIES (PVT) LIMITED	10	3500	0.0011
14381011296	ARABIAN SEA ENTERPRISES LIMITED	10	200000	0.0633

**Category of Shareholders
As On 30/06/2018**

Folio No	Name	Code	Balance Held	Percentage
14514000028	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	10	137500	0.0435
14985000023	CHENAB STOCK SERVICES (PVT) LIMITED	10	25000	0.0079
15180000029	R.T. SECURITIES (PVT) LIMITED	10	300000	0.095
15214000024	SPECTRUM SECURITIES LIMITED	10	25000	0.0079
15578000021	BEST SECURITIES (PVT) LIMITED	10	175000	0.0554
15743000020	AHSAM SECURITIES (PVT) LIMITED	10	15000	0.0048
15818000021	RELIANCE SECURITIES LIMITED	10	8500	0.0027
15818000518	NOMAN ABID & COMPANY LIMITED	10	100000	0.0317
3533000698	HABIB BANK AG ZURICH, ZURICH,SWITZERLAND	12	467000	0.1479
3533000722	HABIB BANK AG ZURICH, DEIRA DUBAI	12	4694500	1.4869

INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE
AS ON 30 JUNE 2018

CATEGORY OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	% percentage
Undertaking and Related Parties	0	-	0.000%
Investment Companies	0	-	0.000%
Sponsors, Directors, CEO and Children			
Mr. Jamal Iftakhar	1	22,646,793	7.173%
Mr. Zahid Iftakhar	1	19,843,494	6.285%
Mr. Saad Zahid	1	4,293,912	1.360%
Mr. Mustafa Jamal Iftakhar	1	7,508,710	2.378%
Mr. Naim Anwar	1	100	0.000%
Lt. General (R) Syed Parwez Shahid	1	100	0.000%
Mian Naseer Hyatt Maggo	1	1,019,820	0.323%
Mr. Amir Mahmood	1	100	0.000%
Syed Adnan Ali Zaidi	1	11,540	0.004%
Mr. Bilal Jamal	1	8,007,196	2.536%
Mrs. Najma Jamal	1	2,986,043	0.946%
Mrs. Mona Zahid	1	400,000	0.127%
Mr. Raees Iftakhar	1	5,544,688	1.756%
Mrs. Naveeda Raees	1	3,424,484	1.085%
		75,686,980	
INDIRECTLY			
Mrs.Mona Zahid*	1	4,734,193	1.499%
Mrs.Najma Jamal*	1	4,734,192	1.499%
		9,468,385	
Executives	0	0	0.000%
Banks, DFI and NBF1	4	10,549,385	3.341%
Associated Companies	1	7,020	0.002%
Insurance Companies	2	125,000	0.040%
Modarabas and Mutual Funds	1	305,000	0.097%
General Public (Local)	18513	199,602,506	63.219%
General Public (Foreign)	455	12,416,003	3.932%
Other	72	11,880,466	3.763%
Foreign Companies	2	5,161,500	1.635%
		240,046,880	

***Under a Financing arrangement**

During the year Summit Bank Limited has illegally sold shares and the Right Allotments thereon pledged by certain directors against their personal outstandings, despite having no cause of action. Although the full outstandings were duly settled the balance shares has so far not released by the bank. The respective directors has filed suit for the recoveries of the losses incurred because of the illegal action of the bank along with damages and the release of the balance shares.

FORM OF PROXY

The Company Secretary
Dost Steels Limited
101, Chapal Plaza, Hasrat Mohani
Road, Karachi.

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

I/ We _____ of _____
(Name) (Address)
being the member (s) of Dost Steels Limited hereby Appoint

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

[who is also member of the Company vide Registered Folio No. /CDC A/c. No. _____ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at an 15th Annual General Meeting of the Company to be held at Mian A. Ghani Room of Pakistan Society for Training and Development, Defence Housing Authority, Karachi , on 24 October 2018 at 9:30 a.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2018

(Witnesses)

1. _____
Signature

Name _____

Address

CNIC No. _____

Affix Revenue Stamp
of Rupees Five

(Witnesses)

2. _____
Signature

Name _____

Address

CNIC No. _____

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

(Please See Notes on reverse)

Notes:

1. A member entitled to attend and vote the 15th Annual General Meeting is entitled to appoint another member as proxy to attend and vote instead of him/her. A corporation or a company being a member of the Company may appoint any of its officer, though not a member of the Company;
2. Proxy(s) must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting;
3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company;
4. CDC account holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.
5. Pursuant to the provisions of the Companies Act 2017 the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein above at least 10 days prior to the date of the meeting on the Standard Form available on the company's website.

A. For attending the Meeting:

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

B. For appointing Proxies:

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

نوٹس:

1. سالانہ اجلاس میں شرکت اور ووٹ کا اہل کسی دوسرے رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے پراکسی کے طور پر مقرر کر سکتا ہے۔ کارپوریشن یا کمپنی جو کہ کمپنی کی رکن ہو اپنے کسی بھی آفیسر کو چاہے وہ کمپنی کا رکن نہ ہو کو پراکسی مقرر کر سکتی ہے۔
2. اجلاس کی مقررہ تاریخ سے 48 گھنٹے پہلے پراکسی کی اطلاع کمپنی کے رجسٹرڈ پتہ پر پہنچ جانی چاہئے۔
3. پراکسی کے کاغذ پر دستخط کمپنی کے رجسٹرڈ نمونہ کے مطابق ہونے چاہئیں۔
4. CDC کاؤنٹ ہولڈرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 26 جنوری 2000ء کو جاری کردہ سرکلر نمبر 1 کے تحت درج ذیل ہدایات پر عمل کرے گا:
5. کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں کل ادا شدہ حصص سرمایہ کے کم از کم 10 فی صد حصہ کے حامل کسی شہر میں مقیم حصص داران اجلاس میں شرکت کے لئے ویڈیولنک سہولت کا مطالبہ کر سکتے ہیں۔ کمپنی کی ویب سائٹ پر دستیاب معیاری فارم پر اجلاس کے انعقاد سے کم از کم 10 یوم قبل دیئے گئے پتہ پر شیئر رجسٹرار کو ویڈیولنک سہولت کے لئے درخواست موصول ہو جانی چاہئے۔

A. اجلاس میں شرکت کے لئے

- (i) فرد واحد کی صورت میں اکاؤنٹ ہولڈ اور/یا ذیلی اکاؤنٹ ہولڈ جن کی تفصیلات CDC ریگولیشنز کے مطابق شائع کی گئی ہیں کو مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرانا ہوگا۔
- (ii) کاروباری ادارہ ہونے کی صورت میں بورڈ کی قرارداد/پاور آف اٹارنی بمع نامزد کئے گئے شخص کے نمونہ کے دستخط اجلاس کے انعقاد کے وقت (اگر یہ پہلے پیش نہ کئے گئے ہوں) پیش کرنا ہوں گے۔

B. پراکسی کے تقرر کے لئے

- (i) فرد واحد کی صورت میں اکاؤنٹ ہولڈ اور/یا ذیلی اکاؤنٹ ہولڈ جن کی تفصیلات CDC ریگولیشنز کے مطابق شائع کی گئی ہیں کو مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرانا ہوگا۔
- (ii) پراکسی فارم کی دو افراد گواہی دیں گے۔ جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔
- (iii) بنی فیشیل اوزر کے CNIC یا پاسپورٹ کی مصدقہ نقول اور پراکسی، پراکسی فارم کے ساتھ جمع کرانی ہوں گی۔
- (iv) کاروباری ادارہ ہونے کی صورت میں بورڈ کی قرارداد/پاور آف اٹارنی بمع نامزد کئے گئے شخص کے نمونہ کے دستخط اجلاس کے انعقاد کے وقت (اگر یہ پہلے پیش نہ کئے گئے ہوں) پیش کرنا ہوں گے۔

پراکسی فارم

..... فوئیونمبر/CDC اکاؤنٹ نمبر:

..... موجود حصص:

کمپنی سیکریٹری
دوست سٹیلز لمیٹڈ
101، چپل پلازہ، حسرت موہانی روڈ
کراچی۔

میں/ہم رہائش دوست سٹیلز
لمیٹڈ ("D S L") کے رکن/اراکین ہونے کی حیثیت سے، جناب /محترمہ/محترمہ رہائش
..... [جو کمپنی کے رجسٹرڈ فوئیونمبر/CDC اکاؤنٹ نمبر.....
کے تحت کمپنی کارکن ہے (کمپنی کارکن ہونے کی حیثیت سے)] کو 24 اکتوبر 2018ء، بوقت 09:30 بجے میاں اے غنی روم آف پاکستان سوسائٹی فار ٹریڈنگ
اینڈ ڈیولپمنٹ، ڈیفنس ہاؤسنگ اتھارٹی، کراچی میں منعقدہ کمپنی کے سالانہ اجلاس عام اور اس کی کسی بھی بیٹھک میں اپنا/ہمارا پراکسی مقرر کرتا ہوں/
کرتے ہیں۔

بتاریخ.....
زیر دستخطی.....

5 روپے کی ریویونیو سٹیٹیمپ چسپاں کریں [گواہان]

گواہ نمبر 1

نام:

رہائش:

..... :CNIC
.....

..... :CNIC
.....

..... :CNIC
.....

..... :CNIC

Dear Shareholders,

Consent for Circulation of Annual Audited Financial Statements through email

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

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

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

Shares Registrar

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

Yours Sincerely,
FOR DOST STEELS LIMITED
Tariq Majeed
Company Secretary

www.jamapunji.pk

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DOST STEELS LTD.

Head Office

4th Floor, Ibrahim Trade
Centre, 1 Aibak block,
New Garden Town,
Lahore 54700, Pakistan

Registered Office

101, Chapal Plaza,
Hasrat Mohani Road,
off II, Chundigarh Road,
Karachi 74000, Pakistan

Plant Address

52 km, Multan Road,
Phoolnagar,
55260, Pakistan